



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Impax Asset Management**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Impax is a specialist investment manager, which for the last 25 years has pioneered investment in the transition to a more sustainable economy. Impax's investment strategy is based on our conviction that the economy is in a transition and that markets will be profoundly shaped by global challenges, particularly climate change, loss of biodiversity, demographic and human capital issues such as equity, diversity and inclusion. We believe that this transition, driven by new technologies, changes to societal and consumer preferences, as well as policy and regulatory interventions, will drive growth for well-positioned companies and create risks for those unable or unwilling to adapt.

We believe fundamental analysis that incorporates long-term risks, including material sustainability and ESG issues combined with stewardship will enhance investment decisions. Sustainability and stewardship are applied in three steps in Impax's investment process for our actively managed investments. Firstly, we develop investment universes or taxonomies of companies with business models, products and services that are well-positioned to enable or benefit from the transition to a more sustainable economy. Secondly, to identify high quality companies for investment from the universes, we apply rigorous company-level analysis, incorporating long-term risks, including material ESG factors, to portfolio construction. The elements included in our proprietary ESG-methodology are corporate governance, company management of material sustainability issues, climate risks, human capital and diversity, as well as controversies. This analysis informs the priorities for engagement with our investee companies, the third element of sustainability in our investment process. Our engagement priorities are derived from company-specific issues, thematic issues (current priority themes are climate, nature, people and governance) and proxy voting. We increasingly recognise the need to combine company engagement with advocacy with standard-setters, regulators and policy makers, for hard-to-engage areas, in order to enable better company practices and the transition to a more sustainable economy. We call this "systematic engagement".

An important element of Impax's sustainability efforts is influencing change, in order to accelerate the transition to a more sustainable economy. We do this by collaborating with other investors, industry organisations, clients and partners and academic institutions, as well as by advocating for better policies with standard-setters, regulators and policy makers. Impax's Global Policy Group brings together expertise from across the company to support policy makers in Europe, North America, and Asia in the creation of enabling environments that will accelerate the transition to a more sustainable economy. This advocacy work utilizes a rolling three-year plan to focus on a number of important longer-term priorities, including greening the financial system, enabling nature-based risk management and solutions, improving data, analytics and information regarding physical climate risks, as well as ensuring that social issues are taken into consideration in the design of net-zero policies adopted by governments and corporates.

For Impax's renewable energy infrastructure investments, ESG considerations are included at each stage of the investment process. We have pioneered investment in renewable energy infrastructure construction in Europe. Our investments reflect strong ESG-parameters, such as health & safety, biodiversity and resilience to physical climate risks.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

In the reporting year 2022 ("the Period") among the main developments were: Impax setting net-zero targets; enhancing climate reporting; developments in our proprietary sustainability and stewardship methodologies; and increasing resources for policy advocacy and stewardship, as well as academic research collaborations.

In November 2022, Impax published its targets for the Net Zero Asset Managers' Initiative. We are targeting 100% of our committed AUM to be in the categories of "aligned" and "aligning" to net zero, by 2030. During the year, we also played an active role in the Glasgow Financial Alliance for Net Zero (GFANZ) continuing to advocate for greening the real economy – as opposed to simply decarbonising our investment portfolios, an important principle for Impax's own climate transition approach.

We also published our first, detailed TCFD-report, integrated in Impax's Annual Report, which included an assessment of Impax's AUM exposed to climate transition and physical climate risks. We reported following the Climate Financial Risk Forum's (CFRF) Climate Disclosure Dashboard, a framework Impax has been part of developing.

In the Period, Impax finalised a methodology update of our proprietary ESG-analysis for active investments, particularly recognising climate transition and physical risks, as well as human capital and leadership diversity as systematic issues that we want to understand in more detail for all companies we analyse, not using merely a materiality-assessment for those issues.

We have been further strengthening our resources linked to stewardship and policy advocacy, with the hire of a Head of Sustainability & Stewardship for Asia-Pacific, a region where we have been active since 2007. We have also hired a Senior Economic Adviser in the US and a Deputy Head of Policy & Advocacy, recognising the importance of policy analysis for the investment process, as well as the need for further policy advocacy resources, for shaping the markets for a transition to a more sustainable economy.

Related to this, we have been increasingly focused on combining company engagement and advocacy with standard-setters and regulators, to enable better company practices and the transition to a more sustainable economy. We call this “systematic engagement” and have described how we combine company engagement and policy advocacy for positive real-economy outcomes and impact, in our recent Stewardship and Advocacy report. An example of this is our engagement with the companies in the S&P500 regarding the importance of physical climate risk management and disclosure of strategic assets’ geolocation data for assessment of companies’ physical climate risk exposures. We combined this engagement with advocating that the US SEC demand more detailed disclosures by companies regarding physical climate risks and geolocation data.

In the Period, we conducted 160 company engagement dialogues, of which 40% had positive outcomes, 11% reaching significant, positive milestones in relation to objectives. Approximately 13% of the positive engagement outcomes achieved, were specifically driven by Impax. During the Period, we also ran a major outreach program, focusing on US companies, linked to the health and wellness programs they provide for their employees. Another major theme was engagement on physical climate risk management for companies within the semiconductor and chip industries. For the third year in a row, Impax ranked number one out of 68 asset managers globally in consistency of voting in favour of environmental and social shareholder resolutions, assessed by ShareAction’s “Voting Matters” report. In late 2022, Impax supported a research project to examine what drives companies to invest in actions that protect biodiversity within their operations and supply chains, and to what extent their actions can be scaled up through the deployment of private investment capital. The research, produced by independent academics from Imperial College London and supplemented by input from Impax, explored five case studies from different sectors: agriculture, cities, energy, insurance and water. One of the main findings was that biodiversity concerns were not the primary drivers for corporate action in the cases that were examined. Unless required by regulation, companies only took action to protect biodiversity where it delivered broader corporate objectives such as improving supply chain resilience.

In 2022, Impax was recognised with the following awards relevant to responsible investing: Investment Week: Best Sustainable Fund Management Group of the Year (AUM under £50bn); Environmental Finance: Listed equities manager of the Year; Financial News: Fifty most influential in sustainable finance – Ian Simm, Impax Founder & CEO; Morningstar Awards for Investing Excellence: Best Asset Manager – Sustainable Investing.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In the next two years, we plan to further deepen our activity in the areas of research, stewardship and policy advocacy, impact measurement, and to expand our product suite to support the transition to a more sustainable economy.

Important areas of continued research will be climate, including physical climate risks and adaptation, nature-related risks and opportunities, as well as analysis linked to human capital and company culture. We envisage further research collaborations with academic partners over the next years.

We will continue to focus on engagement with our companies, following the long-term themes of climate, nature, people and governance, as well as engagement regarding company-specific issues. Given our commitment to net Zero, engagement focus and industry collaboration regarding credible transition plans will be important.

We will increasingly work on combining company stewardship and policy advocacy, in “systematic engagements”, in order to accelerate company practices and the transition to a more sustainable economy.

Policy advocacy work will be an important part of Impax’s commitment to responsible investment. Our rolling three-year plan is focusing on a number of important longer-term priorities, including greening the financial system, enabling nature-based risk management and solutions, improving data, analytics and information regarding physical climate risks, as well as ensuring that social issues are taken into consideration in the design of net-zero policies adopted by governments and corporates.

Important industry collaborations and organisations in which Impax will continue to be part of in their boards, advisory councils or working groups are the Institutional Investors Group on Climate Change (IIGCC), the Energy Transitions Commission, the Glasgow Financial Alliance for Net Zero (GFANZ), the US SIF, the UK government’s Net Zero Council, the International Corporate Governance Network (ICGN) and the Asian Corporate Governance Association (ACGA).

We will continue our work in developing improved impact measurement methodologies and metrics, with a special focus on metrics related to nature- and social solutions. We are also part of collaborations for developing industry standards for important impact metrics, such as avoided emissions, critical for assessing companies’ climate solutions and transition plans.

We continuously review and evolve our product suite in line of opportunities in the market related to the transition to a more sustainable economy and the requirements of asset owners seeking to fulfil their sustainability and sustainable development objectives. We recently announced that we are planning to launch our first strategy solely dedicated to investments in social themes in the second half of 2023. This strategy will allocate to companies in sectors such as healthcare and education, as well as those involved in the provision of financial services to communities. The strategy will also base allocation decisions on the data provided by companies linked to social issues, such as staff retention rates, engagement score results, diversity and inclusion successes and behaviours. The company is actively investigating opportunities in Fixed Income and with Private Markets, two areas in which we anticipate growing investor appetite.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Ian Simm

Position

Founder & Chief Executive

Organisation's Name

Impax Asset Management

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No



## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 44,261,838,756.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,604,324,136.00

### ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	95.17%	0%
(B) Fixed income	3.4%	0%
(C) Private equity	1.43%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity	0%
(B) Active – quantitative	4.64%
(C) Active – fundamental	95.36%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA 17.7%

(D) Active – corporate 61.8%

(E) Securitised 20.5%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital 0%

(B) Growth capital 0%

(C) (Leveraged) buy-out 0%

(D) Distressed, turnaround or special situations 0%

(E) Secondaries 0%

(F) Other 100%

**(F) Other - Specify:**

100% Renewable Energy infrastructure private equity

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

**AUM in Emerging Markets and Developing Economies**

(A) Listed equity (2) >0 to 10%

(B) Fixed income – SSA (1) 0%

(C) Fixed income – corporate (2) >0 to 10%

(D) Fixed income – securitised (1) 0%

(F) Private equity (1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(9) >70 to 80%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	32%
(E) Thematic and integration	0%

(F) Screening and thematic	0%
(G) All three approaches combined	68%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	100%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**



	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Screening alone	0%	0%	0%
(B) Thematic alone	0%	0%	0%
(C) Integration alone	0%	0%	0%
(D) Screening and integration	40%	70%	70%
(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	60%	30%	30%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	0%	0%	0%
(C) A combination of screening approaches	100%	100%	100%

# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

100%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

46%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact

- (I) EU Ecolabel
  - (J) EU Green Bond Standard
  - (K) Febelfin label (Belgium)**
  - (L) Finansol
  - (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
  - (N) Greenfin label (France)**
  - (O) Grüner Pfandbrief
  - (P) ICMA Green Bond Principles
  - (Q) ICMA Social Bonds Principles
  - (R) ICMA Sustainability Bonds Principles
  - (S) ICMA Sustainability-linked Bonds Principles
  - (T) Kein Verstoß gegen Atomwaffensperrvertrag
  - (U) Le label ISR (French government SRI label)**
  - (V) Luxflag Climate Finance
  - (W) Luxflag Environment**
  - (X) Luxflag ESG
  - (Y) Luxflag Green Bond
  - (Z) Luxflag Microfinance
  - (AA) Luxflag Sustainable Insurance Products
  - (AB) National stewardship code
  - (AC) Nordic Swan Ecolabel
  - (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
  - (AE) People's Bank of China green bond guidelines
  - (AF) RIAA (Australia)**
  - (AG) Towards Sustainability label (Belgium)**
  - (AH) Other**
- Specify:

LSE Green Economy Mark

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

**Percentage of your total environmental and/or social thematic bonds labelled by the issuers**

(A) Green or climate bonds	30%
(B) Social bonds	10%
(C) Sustainability bonds	8%

(D) Sustainability-linked bonds	3%
(E) SDG or SDG-linked bonds	0%
(F) Other	13%
(G) Bonds not labelled by the issuer	36%

**(F) Other - Specify:**

Agency Bonds, Community Investment Notes/CDs, SDG Bonds, Supranational Bonds

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

(F) Fixed income – corporate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(I) Private equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## OTHER ASSET BREAKDOWNS

### PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- (A) Energy
- (B) Materials
- (C) Industrials
- (D) Consumer discretionary
- (E) Consumer staples
- (F) Healthcare
- (G) Financials
- (H) Information technology
- (I) Communication services
- (J) Utilities
- (K) Real estate

### PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (B) A significant minority stake (between 10–50%)
- (C) A limited minority stake (less than 10%)

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Definition of responsible investment and how it relates to our fiduciary duty; Responsible investment governance structure; Internal reporting and verification related to responsible investment; External reporting related to responsible investment

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Nature-related risks policy

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) Overall approach to responsible investment

Add link:

[https://impaxam.com/wp-content/uploads/2022/05/Impax\\_ESG\\_Policy\\_2022.pdf?pwd=6650](https://impaxam.com/wp-content/uploads/2022/05/Impax_ESG_Policy_2022.pdf?pwd=6650)

- (B) Guidelines on environmental factors

Add link:

[https://impaxam.com/wp-content/uploads/2022/05/Impax\\_ESG\\_Policy\\_2022.pdf?pwd=6650](https://impaxam.com/wp-content/uploads/2022/05/Impax_ESG_Policy_2022.pdf?pwd=6650)

- (C) Guidelines on social factors

Add link:

[https://impaxam.com/wp-content/uploads/2022/05/Impax\\_ESG\\_Policy\\_2022.pdf?pwd=6650](https://impaxam.com/wp-content/uploads/2022/05/Impax_ESG_Policy_2022.pdf?pwd=6650)

- (D) Guidelines on governance factors

Add link:

[https://impaxam.com/wp-content/uploads/2022/05/Impax\\_ESG\\_Policy\\_2022.pdf?pwd=6650](https://impaxam.com/wp-content/uploads/2022/05/Impax_ESG_Policy_2022.pdf?pwd=6650)

- (E) Guidelines on sustainability outcomes

Add link:

[https://impaxam.com/wp-content/uploads/2022/05/Impax\\_ESG\\_Policy\\_2022.pdf?pwd=6650](https://impaxam.com/wp-content/uploads/2022/05/Impax_ESG_Policy_2022.pdf?pwd=6650)

- (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://impaxam.com/wp-content/uploads/2023/01/Impax-Asset-Management-Group-plc-TCFD-2022-FINAL.pdf?pwd=9387>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://impaxam.com/assets/pdfs/general-documents/Modern\\_Slavery\\_Statement.pdf?pwd=7365](https://impaxam.com/assets/pdfs/general-documents/Modern_Slavery_Statement.pdf?pwd=7365)

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://impaxam.com/wp-content/uploads/2021/02/Impax-Policy-on-Nature-Biodiversity-and-Deforestation.pdf?pwd=7997>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://impaxam.com/wp-content/uploads/2021/03/Impax-New-Energy-Strategy-ESG-Policy.pdf?pwd=887>

**(J) Guidelines on exclusions**

Add link:

<https://impaxam.com/investment-philosophy/fossil-fuel-free-investing>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://impaxam.com/assets/pdfs/general-documents/2023-impax-uk-stewardship-code.pdf?pwd=9975>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://impaxam.com/assets/pdfs/general-documents/2023-impax-funds-engagement-policy.pdf?pwd=5248>

**(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://impaxam.com/assets/pdfs/general-documents/2023-impax-uk-stewardship-code.pdf?pwd=9975>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://impaxam.com/assets/pdfs/general-documents/2023-impax-uk-stewardship-code.pdf?pwd=9975>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

[https://impaxam.com/assets/pdfs/proxy-voting/proxy\\_voting\\_guidelines.pdf?pwd=5399](https://impaxam.com/assets/pdfs/proxy-voting/proxy_voting_guidelines.pdf?pwd=5399)

(P) Other responsible investment aspects not listed here

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6



**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) Yes

Elaborate:

Impax is a fundamentally driven, active shareholder with a long-term investment horizon. It is our fiduciary duty to incorporate all material value drivers, including sustainability and ESG factors, in investment decision making. All of Impax’s investments are aligned with the conviction around the opportunities arising in the transition to sustainable economy. Impax fully integrates proprietary ESG analysis in the investment process and is actively involved in stewardship activities with investee companies across material sustainability topics. Our objective is to build long-term relationships with our listed investee companies. The Impax listed companies’ and issuers’ investment process is focused on a comprehensive understanding of the character and quality of our companies, including material environmental, social and governance (ESG) issues as well as areas of potential improvement. We believe it is in the interest of our investors that we engage with our investee companies to minimise risks, protect and enhance shareholder value, promote greater transparency on ESG issues, and encourage companies and issuers to develop and become more resilient over time. Sustainability and active stewardship are fundamental principles aligning with our fiduciary duties to our investors.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment	
(B) Guidelines on environmental factors	(7) 100%
(C) Guidelines on social factors	
(D) Guidelines on governance factors	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

**AUM coverage**

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Chief Executive Officer, Chief Investment Officer, Chief Risk Officer

- (C) Investment committee, or equivalent

Specify:

Impax Investment Committee, Impax Sustainability Lens Committee, Sustainability Policy Committee

- (D) Head of department, or equivalent

Specify department:

Head of Sustainability & Stewardship, Head of Policy & Advocacy, Head of Asset Management & Sustainability - Private Equity/Infrastructure, Head of Private Equity/Infrastructure, Head of Investment Risk Oversight

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(1) Board members, trustees, or equivalent**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

Impax board of directors has oversight of the company's strategy and investment activities. The day-to-day management and monitoring of the firm's activities are delegated to the Executive Committee, with committee members including those responsible for sustainability, stewardship, policy and advocacy activities at Impax. The Investment Committee oversees investment activities, performance and risks, with a dedicated policy advocacy agenda item. Impax's Head of Policy Advocacy reports directly to the CEO and has developed a policy advocacy strategy to identify our policy priorities and direct our policy engagement. Global Policy Group meetings are held bi-monthly and bring together Impax's Policy & Advocacy team, the CEO and the Chief Strategy and Operations Officer to discuss our annual policy objectives, activities, progress in meeting our annual objectives and any short-term policy developments we should seek to influence.

Impax has carefully vetted and chosen organisations/investor groups through which we conduct policy advocacy in line with our climate change strategy. The priorities for our policy advocacy during 2022 were:

- Achieving net zero in the real economy: national governments to adopt net-zero goals and ambitious NDCs, underpinned by sectoral pathways and dialogues with investors on detailed policies needed to attract private capital.
- Greening the financial system: ensuring that climate risks and opportunities are integrated into investment decisions through effective implementation of the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.
- Nature and biodiversity loss: increase understanding of risks of biodiversity loss and nature degradation and accelerating action by policy and investors to restore nature.

- Adaptation and resilience: improving the quality of corporate disclosures of physical risk and adaptation plans; contributing to discussions on how best to scale up investment in climate resilience.

- Human Capital: identifying and supporting policies which enable human capital development.

We are active across a range of channels ranging from traditional reactive approaches (consultation responses, issue-specific initiatives, sign-on letters) to more innovative pro-active interventions (publishing Impax's perspectives, piloting new approaches, partnering with clients).

- o (B) No
- o (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Chief Investment Officer, Head of Sustainability & Stewardship, Sustainability & Stewardship team, Head of Policy & Advocacy, Policy & Advocacy team, Head of Asset Management & Sustainability - Private Equity/Infrastructure, Head of Private Equity/Infrastructure, Portfolio managers, Investment analysts, Dedicated responsible investment staff

- (B) External investment managers, service providers, or other external partners or suppliers
- o (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

- o (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**☉ (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

**☉ (1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

The corporate executive team has collective responsibility for approving Sustainability and Stewardship-related work streams and programs and managing Sustainability risks and opportunities related to Impax’s operations. We are an investment manager dedicated to investment in companies and assets that are well positioned to benefit from the transition to a more sustainable economy. As a result, investing in companies benefitting from the transition a sustainable economy is a key aspect of our business strategy and investment philosophy. In addition, assessing material ESG risks through integrated, proprietary ESG analysis, is a key part of our investment process. As a result, understanding and assessing Sustainability risks and opportunities has been at the heart of Impax’s business strategy and investment thesis since the very beginning in the late 1990s. As such, the corporate executive team have strong incentives to ensure Sustainability-related issues are monitored and managed.

For example, sustainability-related objectives that remuneration is linked to for the Head of Sustainability & Stewardship, a member of Impax’s Executive Committee:

- Objectives for developing proprietary sustainable investment methodologies.
- Objective for ESG-methodology development and incorporation in investment activities
- Objective for contributing to the organisation's stewardship activities (e.g. company engagement and proxy voting)
- Objectives related to financial performance linked to sustainability methodologies.
- Developing and deepening impact measurement, metrics and methodologies.
- Provide training on ESG incorporation and engagement.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://impaxam.com/wp-content/uploads/2023/01/Impax-Asset-Management-Group-plc-TCFD-2022-FINAL.pdf?pwd=9387>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

[https://impaxam.com/assets/pdfs/general-documents/Statement\\_on\\_principal\\_adverse\\_impacts\\_of\\_investment\\_decisions\\_on\\_sustainability\\_factors.pdf?pwd=6966](https://impaxam.com/assets/pdfs/general-documents/Statement_on_principal_adverse_impacts_of_investment_decisions_on_sustainability_factors.pdf?pwd=6966)

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations

Specify:

European ESG Template (EET)

Link to example of public disclosures

[https://impaxam.com/assets/pdfs/general-documents/Statement\\_on\\_principal\\_adverse\\_impacts\\_of\\_investment\\_decisions\\_on\\_sustainability\\_factors.pdf?pwd=6966](https://impaxam.com/assets/pdfs/general-documents/Statement_on_principal_adverse_impacts_of_investment_decisions_on_sustainability_factors.pdf?pwd=6966)

- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://impaxam.com/about-us/memberships/>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

**(A) We incorporate ESG factors into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

**(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

**(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns**

**(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

The risks and opportunities arising in the transition to a sustainable economy, as identified in the Impax Sustainability Lens.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

**(1) Listed equity****(2) Fixed income****(3) Private equity**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Our stewardship and engagement work is divided and prioritised in the following types:

**1. Bottom-up company specific monitoring and dialogue**

As part of our ongoing, proprietary company and issuer-level ESG analysis, we identify company-specific matters and risks and actively engage with companies and issuers regarding these matters, as part of monitoring and managing risks. We prioritise engagement for investee companies where we have identified more significant risk issues and have larger positions. In addition to risk management, bottom-up company specific engagement is also intended to enhance company value and improve the structures, processes and disclosures of investee companies.

**2. Top-down thematic engagement priorities**

Every year we assess and outline the engagement priorities for the next 12 months. These priorities are based on market developments and emerging ESG and sustainability issues that are relevant and material for our companies and issuers. The current areas of priority are climate (transition risks and physical climate risk), biodiversity and nature, corporate governance, and human capital and equity, diversity and inclusion (E,D&I). Where possible, we use specific performance data related to the thematic engagement topics, as well as the overall ownership in the companies, as parameters for prioritising companies and issuers for thematic engagements. We engage with companies of all sizes, including larger companies with the aim of promoting best practices throughout an industry peer group.

While we assess our thematic engagement priorities every year, they are often of a long-term nature and do not necessarily change annually.

Engagements are regularly conducted together with other investors and partners with or without a lead or coordination from responsible investment organisations. Collaborative engagements are conducted across a number of ESG issues and specific sectors and companies. Collaborative engagements can be prioritised where outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated.

We will also consider systematic engagements, which may require or particularly benefit from simultaneous engagement with standard-setters, regulators or policy makers, in order to remove barriers or impediments, preventing companies from developing more resilient processes and transparency.

### 3. Proxy voting driven engagements

Our proxy voting is predominantly related to governance issues such as the election of directors, board structures and management remuneration, but also for expressing our views on company management of diversity, material sustainability issues and climate, through the vote of management and shareholder resolutions, as well as through the filing or co-filing of shareholder resolutions. When practicable, we seek to engage with the investee company before voting against management’s recommendation on an AGM resolution. We are also in dialogue with companies throughout the year to discuss and comment on proposed governance structures, sustainability, climate and E,D&I issues well ahead of AGMs.

We can also initiate or support shareholder proposals at annual shareholder meetings to encourage greater corporate transparency around a company’s most significant environmental or social risks based on its sector and activities. In recent years, we have filed or co-filed shareholder proposals at companies on issues relating to physical climate risk, board diversity, pay equity and racial justice.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Collaborative engagements and joint representations with other institutions and investors are an important part of Impax's stewardship work. We initiate collaborative engagements where the engagement and outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated.

Collaborative engagements are conducted across a number of issues and specific sectors and companies. Impax will not participate in collaborative engagements that could be interpreted as investors acting in concert.

We will also consider systematic engagements, which may require or particularly benefit from simultaneous engagement with standard-setters, regulators or policy makers, in order to remove barriers or impediments, preventing companies from developing more resilient processes and transparency.

About 12% of engagement dialogues, with around 20 investee companies in 2022 were collaborative engagements.

Examples of significant collaborative engagements in 2022:

- **Physical Climate Risk:** Together with a New York-based public plan, we sent letters to the companies in the S&P 500 in 2020, regarding their exposure to and preparedness for extreme climate events: floods, fires, droughts, severe storms, heat, sea level rise, and expansion of pests and diseases. Initially, we asked these companies to disclose the physical locations of their significant assets and used these engagements to encourage companies to start reporting their climate risks and opportunities aligned to the TCFD. Over the last three years, we have been engaging with companies.

Following more detailed engagements with a smaller number of companies in 2021, in 2022, we chose to focus specifically on companies in the semiconductor industry. Semiconductor production is very water-intensive and is very sensitive to the quality of its water supplies. Like many other industrial sectors, it is vulnerable to the impacts of heat and wildfire, which along with water scarcity and flooding can impact the reliability of the electric grid. We followed up with six semiconductor producers in the S&P 500 to discuss how the companies measured their exposure to physical risks, particularly those related to water (both droughts and floods), and what steps they are taking to increase their own resilience to these hazards. These engagements are ongoing into 2023.

- **Board diversity, Japan:** Impax has been engaging with Japanese companies regarding gender diversity on Japanese company boards for many years. In the reporting period, Impax signed an Asian Corporate Governance Association (ACGA) coordinated gender diversity letter to the Japanese Financial Standards Authority (FSA) and the Tokyo Stock Exchange (TSE) to promote improved female representation on Japanese company boards, an example of a systematic engagement. The letter was later submitted by the FSA to the Japanese State Council. In April 2023, the Japanese prime minister announced that the boards of all companies listed on the TSE Prime market (around 1,800 of the largest companies in Japan) should have 30% female directors by 2030, a major step forward.

- **Finance Sector Deforestation Action (FSDA) initiative:** Building on prior collaborative engagements on deforestation, in late 2022, Impax joined FSDA, a group of financial institutions, all signatories to the Financial Sector Commitment on Eliminating Commodity-driven Deforestation, working to accelerate action to tackle deforestation whilst increasing investment in nature-based solutions (NbS). Next steps and results will be forthcoming in 2023.

We continue to engage collaboratively on issues relating to Equity, Diversity & Inclusion, in particular board diversity:

- We continued our participation in the Russell 3000 Board Diversity disclosure initiative in 2022, led by the Illinois State Treasurer, that seeks improved disclosure of board diversity inclusive of gender, race and ethnicity. As of 2022 more than 2,200 companies in the Russell 3000 were identified as disclosing the board's racial, ethnic and gender diversity in aggregate or by individual director, up from 292 companies in 2020 when the initiative launched.

Additionally, we continued to participate in the Northeast Investors Diversity Initiative (NIDI), a coalition of institutional investors committed to increasing gender, racial, and ethnic diversity on corporate boards. Since October of 2019, NIDI has collectively engaged with 40 companies -- fourteen of which have made changes by adding women and increasing ethnic and racial representation on their boards. In addition, nine companies have made changes to their corporate governance charters and/or nominating committee process to reflect their companies' commitment to diverse pools of candidates for board service.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2
- 4
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Impax is a fundamentally driven, active shareholder with a long-term investment horizon. ESG-analysis and engagement are fully integrated into our investment process. Engagement is used both to mitigate risk and to enhance value and investment opportunities. Our objective is to build long-term relationships with our listed investee companies. The Impax listed companies and issuers investment process is focused on a comprehensive understanding of the character and quality of our companies, including material ESG issues as well as areas of potential improvement. We believe it is in the interest of our investors that we engage with our investee companies to minimise risks, protect and enhance shareholder value, promote greater transparency on ESG issues, and encourage companies and issuers to develop and become more resilient over time. As both an equity and fixed income manager, Impax benefits from crossover engagements that add insight and can potentially influence our view of an issuer.

Engagements are conducted by the Impax investment team, as part of our regular meetings with company management teams, or through additional conference calls, meetings, email exchanges or as part of joint communications with the investment community. We regularly collaborate with other investors and partners on engagements, with or without a lead or coordination from responsible investment organisations. In cases where the management of company incidents is not progressing or where engagements are progressing more slowly than anticipated, we will utilise our escalation processes. If the interventions are not successful and we consider that the risk profile of the company has significantly deteriorated or company strategy or governance structures have altered because of an incident, to a degree where the return outlook and the company's strategy and quality no longer meet our expectations, the company would be excluded from our investable universe and/or sold.

As part of our on-going, proprietary company and issuer-level ESG analysis, we identify company-specific ESG matters and risks and actively engage with companies and issuers regarding these matters, as part of monitoring and managing risks. The lead analysts for the investee companies are responsible for this type of company engagement. Our top-down thematic engagement priorities are based on market developments and emerging ESG and sustainability issues that are relevant and material for our companies. We then identify the companies most exposed to the topics in question and focus our engagement on those companies. The lead analysts for the investee companies are part of this type of company engagement, but it is driven and coordinated by the Impax Sustainability & Stewardship team, with a lead and working group for each engagement topic, e.g climate, biodiversity and nature, human capital/E,D&I and corporate governance, the 2023 top-down engagement themes.

Proxy voting is a key component in the ongoing dialogue with the companies in which we invest and forms an important aspect of Impax's overall investment process. We maintain dialogue with investee companies throughout the year and frequently engage on proposed governance structures ahead of voting at an AGM or by sharing our vote decision and rationale after the meeting.

Oversight: The Impax Investment Committee meetings have a standing agenda item "Sustainability and Stewardship", to continuously inform and discuss stewardship items across the investment team. We also report engagement and proxy voting KPIs to the Investment Committee on a quarterly basis.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

An important characteristic of our engagement work is that our investee companies' business models, products and services are generally benefitting from a transition to a sustainable economy. This means that our engagements are not focused on changing companies' strategies or business models, but rather seeking to influence how the companies are operating and the structures, processes and disclosures they have in place.

For the bottom-up, company specific engagements, the objective is typically to solve or improve the issue that has been identified as part of ESG analysis and when that objective has been achieved, move to the next objective or pause the engagement. In the Portal-database, we maintain a summary page for each investee company, with key financial and ESG data for the company and a rating indicating the level of priority for engagement for the company in question.

For the thematic engagement areas, we have set up specific steps as objectives that we seek to reach with the engagements. The thematic engagement areas have analysts assigned as leads for each of the current themes of engagement; climate, biodiversity and nature, human capital/E,D&I and corporate governance. The thematic engagement topics have been identified as they are significant or systemic issues that require particular attention. In the Portal-database, it is noted for each engagement what the nature of engagement was and what the objective was, the outcome achieved and the next steps.

Additionally, new and significant thematic engagement topics that often are of shorter-term nature are identified, such as Covid-19 between 2020 and 2022 and ethics of algorithms and AI, with the rapid developments in that area in the last few years. These types of engagements are often about fact finding and monitoring.

We have also identified critical and often hard-to-engage areas, where escalation is insufficient, with more or less clear barriers or bottlenecks preventing progress and better practices in companies. These are often topics and areas that companies may prefer not to disclose and are not mandatory, but where investors need information to have a full understanding of companies' operations and risk management. In order to remove barriers to progress in these hard-to-engage areas, we have started combining company engagement and policy advocacy, seeking to shape company practices through regulatory or policy change in what we call 'systematic engagement'. We foresee using this approach more extensively to accelerate progress.

We developed a stewardship and advocacy framework highlighting how the resources, activities and approaches we use in our work can achieve positive outcomes and ultimately real-world impact. We believe it is important to go beyond the engagement statistics (i.e. the numbers of meetings held with companies) and instead focus on the actual change, 'outcomes' and 'impact' achieved through our activities. This is also what Impax's approach to the Net Zero Asset Managers' (NZAM) initiative target is based on: utilizing stewardship and advocacy for real change in our investee companies. The framework also highlights how stewardship is about our engagement and proxy voting with investee companies, a critical part of the investment process, but also entails focusing on engagement themes, where we work with other investors and organisations to amplify our influence. It also outlines the critical elements of our advocacy work - ranging from collective action alongside peers and direct intervention on policy, to leadership roles where we look to drive change by steering industry groups and engaging in thought leadership activities. The framework makes clear how our stewardship and advocacy come together in systematic engagement - in our view a critical element in enabling and accelerating the transition to a more sustainable economy.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- (D) We do not review external service providers' voting recommendations
- (E) **Not applicable; we do not use external service providers to give voting recommendations**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) **We recall all securities for voting on all ballot items**
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes

Add link(s):

<https://impaxam.com/assets/pdfs/proxy-voting/proxy-voting%20activity-significant-votes-2022.pdf?pwd=1592>  
<https://impaxam.com/pax-world-funds/proxy-voting/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) **Within one year of the AGM/EGM**
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

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**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://impaxam.com/assets/pdfs/proxy-voting/proxy-voting%20activity-significant-votes-2022.pdf?pwd=1592>  
<https://impaxam.com/pax-world-funds/proxy-voting/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

Impax's policy is to vote on all shares held where practicable. In markets where share blocking exists, our Investment Control team flags the upcoming share block and there are discussions with the lead analysts about whether there may be events or circumstances where we would need to be able to trade in the company during the share blocking period. If no issues are identified, the Investment Control team puts in place a trading block to prevent instances of failed trades before executing a vote.

Impax uses a third-party voting platform and service provider, Glass Lewis, to facilitate vote execution, reporting and record keeping. Glass Lewis' Voting Operations team is responsible for key controls and processes around tracking the status of proxy ballots, reconciling holdings information, monitoring key data files, and processing paper ballots. These processes are independently audited on an annual basis covering the mechanics of vote exchange with Broadridge.

A Ballot Status Report is generated and reviewed each day. It is the responsibility of Glass Lewis to generate, review and distribute the report. Each business day, the Broadridge Batch Error Report is reviewed to help ensure that any rejected ballots are re-voted.

The systematic ballot reconciliation process is monitored by Glass Lewis Voting Operations once a week and is undertaken to identify any instances of potential missing ballots. Specifically, the Voting Operations team confirms receipt and processing of Impax's holdings files, the creation of reconciliation files for ballot distribution agents, and receipt of corresponding response files. Meeting, agenda, and ballot information is received on a daily basis from ballot distribution agents. Voting Operations monitors the ingestion of this information and addresses any data issues. Client voting instructions must be successfully delivered to ballot distribution agents in order for voting to be counted. Voting Operations monitors delivery of voting instructions to the ballot distribution agents and addresses any processing issues or special processing requirements.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation



(H) Other





(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

If initial stewardship efforts are unsuccessful for internally managed SSA, we would likely not invest, divest, or reduce exposure to the investee entity.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
  - o (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

UK Climate Financial Risk Forum (CFRF) convened by the FCA and Bank of England: Impax was a lead author on the CFRF Climate Data and Metrics report and led the development of the Climate Disclosure Dashboard with the CFRF Disclosures Working Group. The Working Group's recommendations have already been referenced in the FCA consultation on TCFD implementation and we are hopeful that it will act as the foundation for the ongoing work of the net-zero transition plans within the CFRF and other initiatives.

- (D) We engaged policy makers on our own initiative

Describe:

Impax submitted an extensive comment letter to the US Securities and Exchange Commission (SEC) outlining recommendations for corporate reporting, including mandatory reporting of Scope 1 and 2 emissions and progress towards mandatory reporting of harder-to-measure Scope 3 emissions; mandatory Task Force for Climate-Related Financial Disclosure (TCFD) reporting; and the disclosure of the physical location of key company assets. We also talked with SEC Chair Gensler regarding all of these reporting requirements prior to the finalisation of the proposed rule. We are very pleased that our recommendations – including the latter point, on which we filed a petition for rulemaking with the SEC in 2020 – are reflected in the SEC’s proposed rule on climate risk disclosures that was published in March 2022.

(E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://impaxam.com/assets/pdfs/reports/impax-stewardship-and-advocacy-report-2023.pdf?pw=7650>  
<https://impaxam.com/investment-philosophy/policy-and-advocacy/>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

(1) Led by

- (1) Internally led**
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

JM Smucker Co did not respond to our outreach on physical climate risk in 2021, despite exposure to risks associated with hurricane and weather-related risk at coffee production facilities. We filed a shareholder proposal requesting that the company provide a description of measures it is taking to mitigate potential short-, medium-, and long-term supply chain disruption.

Outcome: The company was responsive, and agreed to disclose information regarding business continuity plans for its coffee business in its upcoming CDP response and will disclose information concerning its consumer and pet business over the next two years, among other actions, and we will continue the dialogue with the company on these matters moving forward.

(B) Example 2:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Following strong shareholder support (34%) in 2021 for an Impax co-filed shareholder proposal requesting Johnson & Johnson conduct an independent racial equity audit, we joined other investors in re-filing the proposal for 2022. While the company has made progress with respect to diversity & inclusion, we continue to believe an independent assessment of the effectiveness of the company's policies and practices on civil rights, equity, diversity and inclusion would be of value to the company.

Outcome: The company discussed proposal with proponents in November and December, but the proposal went to a shareholder vote in April 2022 and was approved by shareholders, receiving 63% support. The company announced in its 2023 proxy statement that it would conduct the audit, engaging Covington & Burling to conduct it. The first phase is underway.

(C) Example 3:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement initiative driven by FAIRR: This is a collaborative investor engagement coordinated by FAIRR and supported by shareholders of 25 global food companies, with the objective to diversify their protein sources, with a focus on plant-based proteins, to “drive growth, increase profitability, reduce risk exposure and improve their ability to compete and innovate in a resource-constrained world.” There is a significant focus on mitigation of climate risk.

Impax has been a long-term collaborative partner in this initiative and the lead shareholder in engagements with Koninklijke Ahold Delhaize, a Dutch food retailer, with good progress made over the years. In 2021, we observed improved, evidence-based consumer engagement and awareness-raising relating to healthier and plant-based foods and set new more ambitious, science-based GHG reduction targets, relating to Scope 1, 2 and 3 emissions, with improved disclosures of Scope 3 emissions linked to animal agriculture specifically. The company also conducted its first scenario analysis in 2021. Most recently in 2022, Impax again led the engagement with Ahold to better understand the company's:

- Approach to protein diversification of the product portfolio
- Improvements in supply chain sustainability (focus on Scope 3 emissions)

Outcome: We had an insightful dialogue with the company who highlighted their Albert Heijn brand as leading in terms of protein diversification, having adopted a dual approach to sustainability that addresses the company's supply chain and its product composition. However, there was no commitment during the meeting from Ahold to set protein diversification commitments or targets in the short to medium term at the Group level. The company reiterated its existing strategic priorities around climate impact, healthier choices, and waste elimination. The company shared its timeline for publication of its updated Scope 3 strategy, focusing on reducing emissions from its largest emissions sources, products and services. In collaboration with FAIRR, we expect to review progress and outcomes of the broader sustainable proteins initiative to date and review our approach to achieving progress on the above objectives.

(D) Example 4:

Title of stewardship activity:

(1) Led by

(1) Internally led

(2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

(5) Infrastructure

(6) Hedge funds

(7) Forestry

(8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Impax has been engaging with IQVIA Holdings Inc since 2018, focusing mainly on improving its governance practices, including board structure, shareholder rights and executive compensation.

Engagement objectives:

Improve board structure including independence and board declassification (achieved, 2022)

Improve board diversity across multiple aspects of diversity, including gender, race, ethnicity, nationality, skills/expertise (improving, progress in 2022)

Improve shareholder rights, historically limited (improving)

Improve executive compensation (limited progress, engagement ongoing)

Since 2018, we have voted against various board members and management proposals to express our concern on the following issues:

Non-majority independent board

Classified board structure

Insufficient board diversity

Executive compensation practices

Supermajority vote provisions

We communicated our voting rationale to the company and had our first governance-related call in 2020 focused on board structure and composition. In 2020, the company appointed two new independent directors, showing initial progress in improving board independence and diversity, with a commitment to improve board diversity to at least 30%. At the 2021 annual meeting, we supported a proposal to remove supermajority voting rights. We also followed up with an engagement to share our rationale for voting against the Nominating Committee Chair given board gender diversity remained under 25%.

In 2022, we held another governance-related dialogue with the company. The company appointed two independent female directors at the 2022 annual meeting, improving board independence to 91% and diversity to 36%. This is a significant improvement over the years. In addition, Impax voted for declassification of the board, over a three-year period, which was approved by shareholders.

We continue to express concern with the company's executive pay practices, demonstrating misalignment of pay with performance. We are continuing to engage the company on issues relating to executive compensation.

Outcome: Milestone achieved in 2022: Following multiple years of engagement and proxy votes against management, we have seen a number of positive outcomes in the company's board structure, achieving objectives 1-3 above, with ongoing engagement on objective 4.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Impax has been engaging with Walt Disney Company since 2020, focusing on human capital and E,D&I topics.

Engagement objectives:

1. Improve understanding of management approach to human capital and E,D&I (achieved)
2. Disclose quantitative E,D&I data (achieved)

In 2022, Impax met with Disney to learn about recent human capital and E,D&I initiatives at the company with a particular focus on employee health & wellness. The engagements were held after the company's annual meeting, which saw a pay gap reporting shareholder proposal win majority support from shareholders. (This was also the topic of an Impax-sponsored shareholder proposal in 2020, which Impax withdrew after the company committed to publishing EEO-1 data and to assign oversight of workplace equity to the board compensation committee.) The meetings provided an opportunity to gain insight into the company's approach to returning to the office post-COVID, employee engagement and wellness, and the complexities of managing a large, diverse workforce. Impax provided feedback on new disclosures over the last year and considerations for future disclosures.

In September 2022, Disney published its adjusted pay data by race and gender for first time. Its analysis showed that women are paid nearly identical to men, and Asian, Black and Hispanic workers are all paid nearly the same as White workers. The company also committed to additional disclosure over time, including with respect to unadjusted pay data.

Outcome: Milestones achieved in 2022: Disclosed adjusted pay data by race and gender, committing to additional disclosure over time. 2021: EEO-1 employee demographic data disclosed. 2020: Oversight for workplace equity matters assigned to the Compensation Committee. Engagement with the company is ongoing.



## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

As relevant in the context of our investment holding periods climate-related risks and opportunities are assessed in the short-term (1-2 years), medium-term (2-5 years), and long-term (5-10 years).

Climate risks identified:

- Regulation: The nature of Impax's business means that it is affected by climate-related regulation, both directly and indirectly. This can create both risk and opportunity.

In a similar way to current regulation, emerging climate-related regulation can both directly and indirectly affect Impax and can create both risks and opportunities. Impax has a Policy & Advocacy team that monitors upcoming sustainability and climate-related regulation to understand how this might create risks or opportunities for our investments. Emerging regulation can take the form of financial regulation related to sustainable finance (e.g., the FCA's and SEC's consultations on climate-related disclosure requirements for asset managers). We also monitor emerging sustainability and climate-related regulation that may create risks or opportunities for companies that we invest in.

- Technology: Impax specialises in investments providing environmental and climate solutions (energy efficiency, renewable energy, water, clean transport, circularity, sustainable food and environmental technology and software) through our thematic listed equity strategies (environmental), private equity funds (renewable infrastructure) and fixed income (green bonds). As a result, we see technology as a significant climate-related opportunity for our investee companies and our investments. Nonetheless, we assess any risks from changing climate-related technology to understand how this might impact our investment performance.

- Legal: As an asset manager, Impax has a clear fiduciary duty that is strongly upheld and managed across all functions. Legal risks related to climate change might arise in our investments should investee companies fail to meet climate-related regulatory obligations or face climate-related litigation. While this is generally unlikely given the companies that we invest in, there is a growing trend of climate-related litigation against high-emitting companies.

- Market: One of Impax's proprietary tools for monitoring market risks is an overlay assessed quarterly for our environmental strategies, with policy, macroeconomic and valuation parameters for the different environmental sub-sectors.

- Reputation: Reputational risks can materialise in the event of severe ESG-related issues or controversies in the companies we invest in as an investment manager focused on the transition to a more sustainable economy. In the event that a significant event occurs for one of our investee company's, we may conduct ESG reviews more frequently than annually and contact the company for further information and clarification. This may result in continued monitoring, active engagement, or collaborative engagement. Impax also has an escalation policy in place, in cases where the management of incidents is not progressing.

- Acute physical: As highlighted above, Impax analyses the management of physical climate risk management for all our active listed equities through our proprietary ESG-analysis and has developed a proprietary model to assess localized and asset-level physical climate risks. This takes into account both acute and chronic physical climate risks, assessing exposure to heat stress, water stress, energy demand change, storm & flood risk, and sea level rise. The process is ongoing to integrate these capabilities comprehensively, but Impax also uses it as an engagement tool with investee companies.

- Chronic physical: Incremental changes in climate are significant to both internal operations and those of investee companies and should not be underestimated. Changes in temperature will affect transport capabilities and modes in major urban centres, rising sea levels will expose previously protected coastal assets to coastal flooding events and general inundation, increasing severity of heat stress events will affect productivity and energy demand. Therefore, these changes may affect the value attached to portfolio assets across asset classes.

Climate opportunities identified:

- Impax has developed environmental and climate taxonomies for the last 25 years, prioritizing investment into companies solving environmental challenges and enabling the transition to a more sustainable economy, providing investment opportunity and higher growth. Moreover, Impax seek investment opportunities in the development and expansion of renewable energy infrastructure, driven by tightening policy and company and customer demand. As reported in our 2022 TCFD report, ~59% of Impax's total AUM was invested in climate solutions, with 72% invested in environmental thematic strategies.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

The analysis of Physical Climate Risk, for example, goes well beyond it, up to 30 years.

Impax has developed a proprietary model to assess localized and asset-level physical climate risks. This takes into account both acute and chronic physical climate risks, among other risks assessing exposure to water-related risks such as water stress, flood risk, and sea level rise.

In Impax's physical climate risk scenario, the firm measures several key climate variables and different resource stresses, projected forward in two different Representative Concentration Pathways ("RCPs") or emissions pathways scenarios as defined by the Intergovernmental Panel on Climate Change ("IPCC") representing 2 degrees C and 'business-as-usual.' Impax's 'optimistic' 2 degrees C scenario is equal to the RCP4.5 scenario. Impax's 'business as usual' scenario is equal to the RCP8.5 scenario per IPCC definitions, which refer to significant global abatement of greenhouse gas emissions, and no abatement. Although this scenario has been criticised as an unlikely outcome given current mitigative efforts, Impax believes in its validity as a way to capture a worst-case scenario that can be explored to assess the resilience of our investments in a world where key global tipping points or poorly understood non-linear drivers cause the climate to act even more erratically than expected. Analysis includes both current and future values, where future values reference variables in ten to thirty years in the future. Exposure is captured through a combination of hazard information with physical asset location data. The final factor of physical climate risk is vulnerability. Impax investigates vulnerability to ensure that the risk inferred from the analysis of how exposed a physical asset might be to a hazard is wholly representative of the true risk.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

## Products and services

Impax was founded on the thesis that investment into companies solving environmental challenges and enabling and benefiting from a transition to a more sustainable economy is an opportunity and will lead to higher growth and outperformance. This has been at the core of our strategy since the late 90s and our financial and resource planning is fully centred around this thesis. Impax has 7 listed equity environmental thematic strategies that are investing in companies providing environmental and climate-related solutions. They represent the largest part of Impax's AUM. As of 31 December 2021, 59% of total AUM or more than US\$31bn was invested in companies and assets providing climate solutions, with 72% invested in environmental thematic strategies more broadly.

Impax also has private equity new energy infrastructure funds, "New Energy Finance" or NEF funds, which construct new renewable energy infrastructure, like wind and solar farms, mainly in Europe. We are in the process of fundraising for our fourth NEF fund.

In November 2022, we set the baseline and target, for our NZAM commitment, to have all companies that are in scope for our target (92% of total AUM, or US\$49.6bn representing our active listed equities and private equities), within the "aligned" and "aligning" categories for net zero by 2030. C. 8% of our committed AUM is currently not aligned to net zero. Our proprietary ESG-analysis assesses the climate risk preparedness and alignment of our active listed equities.

In January 2021, we launched a climate strategy. This is one of Impax's thematic strategies and it invests in listed companies with demonstrable exposure to products and services, enabling mitigation of climate change or adaptation to its consequences. Given the nature of our investment approach, these are naturally long-term strategic decisions.

## Supply chain and/or value chain

We are taking climate and sustainability issues into account in companies' supply chains. We assess all active equity investments' Scope 3 emissions and assess whether emissions reduction targets have been set for Scope 3 emissions, in our proprietary ESG-analysis methodology. We engage with companies on these topics, especially with companies with significant supply-chain-linked emissions.

## Investment in R&D

Yes, investment in climate-related thought-leadership, added resources and new methodologies are a clear strategic priority. We identified the assessment of physical and transition risks within our investments as an important priority to manage risks. As reported in Impax's 2022 TCFD report, scenario analysis of the exposure to climate transition risks has been conducted through an analysis of investee companies' earnings exposures to changes in carbon prices, using the NGFS scenarios. We found that c. 9% of the AUM of Impax's active listed equities strategies are exposed to a potential decrease in future profitability – measured by earnings before income and tax (EBIT) – of 30% or more, based on a scenario analysis of the impact of carbon pricing.

## Operations

Assessing the climate-related risks and opportunities facing our operations is particularly important and we have made several strategic decisions as a result. Most notably, in 2019 we committed to source 100% of the electricity consumed in our offices globally from renewable sources. In order to meet this commitment, in our Portsmouth New Hampshire office switched to a renewable energy provider effective 1 January 2021 and we started purchasing green certificates for our Hong Kong office in 2022.

## How climate-related risks and opportunities have influenced our Financial Planning

As of 31 December 2021, 59% of total AUM or more than US\$31bn was invested in companies and assets providing climate solutions, with 72% invested in environmental thematic strategies more broadly, hence climate opportunities are at the core of Impax's strategy. All hiring and staff direct costs are focused on the continued efforts to be the leading specialist investment manager focused on the transition to a more sustainable economy.

We recently hired several new analysts to the investment team with specialist responsibility of focusing on wind, solar and green transport research.

Capital allocations and budgets are steered toward the development of new climate methodologies, models and thought leadership, like the Impax Physical Climate Risk scenario tool to assess and manage exposure to current and projected climate hazards. We are also reviewing possible external research providers for especially nature and biodiversity data provision.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

Impax Fossil Fuel Policy

Fossil fuel (thermal coal, oil and gas) – Energy Sector: exploration & production and refining & processing

Companies with >0% revenue or profits<sup>1</sup> derived from direct fossil fuel activities identified above will be excluded from the portfolio.

Storage and distribution sector: storage & distribution

Companies with >5% revenue or profits<sup>1</sup> derived from direct storage and distribution activities will ordinarily be excluded from the portfolio although companies may be included in the portfolio if the company has established itself as a leader in the transition to a zero-emissions energy economy with reduction targets, including Scope 1, Scope 2, and Scope 3, that are compatible with the Paris Agreement's target of limiting future warming to 2°C, and has agreed to publicly report on progress.

(B) Gas

Describe your strategy:

#### Impax Fossil Fuel Policy

Fossil fuel (thermal coal, oil and gas) – Energy Sector: exploration & production and refining & processing

Companies with >0% revenue or profits (EBITDA) derived from direct fossil fuel activities identified above will be excluded from the portfolio.

Storage and distribution sector: storage & distribution

Companies with >5% revenue or profits (EBITDA) derived from direct storage and distribution activities will ordinarily be excluded from the portfolio although companies may be included in the portfolio if the company has established itself as a leader in the transition to a zero-emissions energy economy with reduction targets, including Scope 1, Scope 2, and Scope 3, that are compatible with the Paris Agreement's target of limiting future warming to 2°C, and has agreed to publicly report on progress.

The Impax Fossil Fuel policy apply only to energy and utility activities, ie activities that are directly linked to fossil fuel exploration, production, refining, processing, storage, distribution and utility power generation. It does not apply to activities and sectors that may have indirect exposures to fossil fuels, such as automotives, transport, industrials, financials etc.

#### (C) Oil

Describe your strategy:

Impax Fossil Fuel Policy

Fossil fuel (thermal coal, oil and gas) – Energy Sector: exploration & production and refining & processing

Companies with >0% revenue or profits (EBITDA) derived from direct fossil fuel activities identified above will be excluded from the portfolio.

Storage and distribution sector: storage & distribution

Companies with >5% revenue or profits (EBITDA) derived from direct storage and distribution activities will ordinarily be excluded from the portfolio although companies may be included in the portfolio if the company has established itself as a leader in the transition to a zero-emissions energy economy with reduction targets, including Scope 1, Scope 2, and Scope 3, that are compatible with the Paris Agreement's target of limiting future warming to 2°C, and has agreed to publicly report on progress.

The Impax Fossil Fuel policy apply only to energy and utility activities, ie activities that are directly linked to fossil fuel exploration, production, refining, processing, storage, distribution and utility power generation. It does not apply to activities and sectors that may have indirect exposures to fossil fuels, such as automotives, transport, industrials, financials etc.

#### (D) Utilities

Describe your strategy:

Utility power generation sector: coal, oil, natural gas

Companies with >5% revenue or profits (EBITDA) derived from the above power generation sector will ordinarily be excluded from the portfolio although companies may be included in the portfolio if the company has established itself as a leader in the transition to a zero-emissions energy economy with reduction targets, including Scope 1, Scope 2, and Scope 3, compatible with the Paris Agreement's target of limiting future warming to 2°C, and has agreed to publicly report on progress.

The Impax Fossil Fuel policy apply only to energy and utility activities, ie activities that are directly linked to fossil fuel exploration, production, refining, processing, storage, distribution and utility power generation. It does not apply to activities and sectors that may have indirect exposures to fossil fuels, such as automotives, transport, industrials, financials etc.

- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://impaxam.com/investment-philosophy/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**  
Specify:

RCP4.5 and RCP8.5 scenarios, developed for the AR5 IPCC report

Impax has developed a proprietary model to assess investee companies' localized and asset-level physical climate risks (PCR). In Impax's PCR scenario analysis, the firm measures several key climate variables and different resource stresses, projected forward in two different Representative Concentration Pathways or emissions pathways scenarios as defined by the Intergovernmental Panel on Climate Change (representing 2 degrees C and 'business-as-usual'). Impax's 'optimistic' 2 degrees C and 'business as usual' scenarios are equal to the RCP4.5 and RCP8.5 scenarios, which refer to significant global abatement of greenhouse gas emissions and no abatement respectively. Although the latter scenario has been criticised as an unlikely outcome given current mitigative efforts, Impax believes in its validity as a way to capture a worst-case scenario that can be explored to assess the resilience of our investments in a world where key global tipping points or poorly understood non-linear drivers cause the climate to act even more erratically than expected. Analysis includes both current and future values, where future values reference variables in ten to thirty years in the future.

Exposure is captured through a combination of hazard information with physical asset location data. The final factor of PCR is vulnerability. Impax investigates vulnerability to ensure that the risk inferred from the analysis of how exposed a physical asset might be to a hazard is wholly representative of the true risk.

The assessment of these three factors (hazard, exposure, and vulnerability) in conjunction with investee company engagement, provides a risk exposure per asset, aggregated at the company and then the portfolio-level, informing investee companies' internal risk management and Impax's portfolio risk management to minimize physical climate risk.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Assessing Climate Change through the Impax Sustainability Lens:

The "Impax Sustainability Lens" is a proprietary tool that captures sustainability risks and opportunities across all economic activities and time horizons by ranking GICS sub-industries to prioritize those exposed to the opportunities arising from the transition to a more sustainable economy, while minimizing exposure to longer-term sustainability risks. The review of sub-industries through the Impax Lens includes, among other things, an assessment of the risks and opportunities posed by climate change, and the risks from resource and biodiversity constraints, and waste and pollution.

Assessing the strength of investees' climate risk management:

Enhanced ESG evaluation methodology

In 2022, we concluded an update and enhancement to Impax's proprietary Fundamental ESG analysis methodology. Related to identifying, assessing and responding to climate-related risks, Impax has split out "Climate risk management" into a stand-alone pillar of assessment and scoring, reflecting the importance and systematic nature of this pillar for the analysis of all companies. Within this pillar we assess and measure companies' climate change strategy, including efforts to identify, manage and disclose on climate-related transition and physical risks.

Assessing Climate Transition Risk:

As reported in Impax's TCFD report in 2022, analysis of the exposure to climate transition risks has been conducted, from two perspectives. Firstly, an analysis of investee companies' earnings exposures to changes in carbon prices, using the NGFS scenarios. We found that c. 9% of the AUM of Impax's active listed equities strategies are exposed to a potential decrease in future profitability – measured by earnings before income and tax (EBIT) – of 30% or more, based on a scenario analysis of the impact of carbon pricing. Secondly, Impax set the baseline and target for our Net Zero Asset Manager's Initiative (NZAM) in November 2022. Impax is committed to having all committed AUM in "aligned" and "aligning" categories by 2030. As per Nov 2022, 8% of the AUM that is committed to the NZAM target, was not aligned to net zero.

Identifying, assessing and engaging on investee exposure to Physical Climate Risk:

Impax has developed a proprietary model to assess investee companies' localized and asset-level physical climate risks and uses the data to engage with investee companies regarding their preparedness and management of physical climate risks. Although Impax seeks to form a perspective on the development of physical climate risk into the future, the immediate risks relating to 9 key climate hazards, covering chronic (gradual) and acute (extreme event) risks are assessed to gain a baseline and a reference point for the severity of future changes.

(2) Describe how this process is integrated into your overall risk management

Overall, the Impax Board of Directors has oversight of climate risk and opportunities, and one Impax Board Director is specifically assigned to have "climate responsibility" at the Board level.

Impax's proprietary ESG analysis is fully integrated in the investment process and the lead analysts are conducting both the financial and ESG analysis of companies. Climate risks are viewed as a systemic risk for all companies, so climate and carbon risks are assessed for each company.

On physical climate risk specifically, Impax views this risk as a function of hazard, exposure and vulnerability. The assessment of these three factors in conjunction with investee company engagement provides a risk exposure per asset, aggregated to the company and then the portfolio-level, informing our investee companies' internal risk management and our portfolio risk management to minimize physical climate risk.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Impax's proprietary ESG analysis is fully integrated in the investment process and the lead analysts are conducting both the financial and ESG-analysis of companies. The materiality of sustainability risks is assessed in the Impax proprietary ESG-analysis. Climate risks are viewed as a systemic risk for all companies, so climate transition and physical climate risks and their management are assessed for each company.

Engagement: Engagement allows us to:



- Manage risks by proactively identifying and mitigating issues;
- Enhance company analysis; how companies respond to engagement is informative of their character;
- Strengthen investee companies over time; improving quality, processes, transparency and resilience.

We identify company specific engagement priorities, but also set annual strategic engagement priorities. Climate (transition and physical risk) is one of our four current strategic engagement priorities:

- Proxy Voting: Climate risks are reflected in proxy voting by:
  - Voting for all reasonable shareholder resolutions asking for enhanced climate risk management and disclosures;
  - Voting for all reasonable management "Say on Climate" proposals (assessed case by case);
  - Filing or co-filing shareholder resolutions, mainly used as an escalation process where climate engagements have not been effective.
- In 2023, we have informed the companies that are currently "non-aligned" to net zero that unless process and target-setting improvements have taken place, we intend to vote against the Chairs of their Audit Committees (or best equivalent director) in the 2024 voting season.

(2) Describe how this process is integrated into your overall risk management

Overall, the Impax Board of Directors has oversight of climate risk and opportunities, and one Impax Board Director is specifically assigned to have "climate responsibility" at the Board level.

Impax's proprietary ESG analysis is fully integrated in the investment process and the lead analysts are conducting both the financial and ESG analysis of companies. Climate risks are viewed as a systemic risk for all companies, so climate and carbon risks are assessed for each company.

On physical climate risk specifically, Impax views this risk as a function of hazard, exposure and vulnerability. The assessment of these three factors in conjunction with investee company engagement provides a risk exposure per asset, aggregated to the company and then the portfolio-level, informing our investee companies' internal risk management and our portfolio risk management to minimize physical climate risk.

- o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - o (1) Metric or variable used
    - o (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

**(B) Exposure to transition risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

(C) Internal carbon price

**(D) Total carbon emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

**(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

**(F) Avoided emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

(G) Implied Temperature Rise (ITR)

**(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

**(I) Proportion of assets or other business activities aligned with climate-related opportunities**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://impaxam.com/wp-content/uploads/2022/12/impax-annual-report-2022.pdf?pwd=5081>

(J) Other metrics or variables

(K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

**(1) Metric disclosed**

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://impaxam.com/wp-content/uploads/2023/01/Impax-Asset-Management-Group-plc-TCFD-2022-FINAL.pdf?pwd=9387>

**(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

**(1) Metric disclosed**

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://impaxam.com/wp-content/uploads/2023/01/Impax-Asset-Management-Group-plc-TCFD-2022-FINAL.pdf?pwd=9387>

**(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

**(1) Metric disclosed**

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://impaxam.com/wp-content/uploads/2023/01/Impax-Asset-Management-Group-plc-TCFD-2022-FINAL.pdf?pwd=9387>

(D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
  - Specify:
    - FTSE Russell Green Revenues Classification System
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
  - Specify:
    - UNGC
- (K) Other regional framework(s)
  - Specify:
    - SFDR
- (L) Other sectoral/issue-specific framework(s)
  - (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries

- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

Impax has for many years embedded ESG considerations into both our listed and private markets investment decisions. Social considerations within ESG frameworks encompass modern slavery issues. Further information with respect to these ESG considerations and tools is set out in Impax's ESG Policy, Engagement Policy and New Energy Strategy ESG Policy, which are available on [www.impaxam.com](http://www.impaxam.com).

Listed investments

We assess human rights issues in connection with our active listed investments. We use quarterly third party Global Standards screening of our investable universe to monitor compliance and engage with the companies where potential issues are flagged. Where companies are found to be in actual breach of UN Global Compact principles, they are excluded from the investable universe and divested. Where a company is flagged for potential breaches, consistent with the UNGPs, Impax will monitor and seek to engage, as appropriate. We monitor the continuously evolving landscape of human rights and take a regional and sector focused approach, including via the following illustrative examples:

**High risk regions:** We are specifically engaging with investee companies active in or sourcing key components from regions with allegations of human rights breaches and forced labour concerns. Engagement can take a number of forms depending on the relationship and our assessment of risk, however, it usually involves Impax writing to the relevant investee company to put them on notice of our expectations and invite them to enter a dialogue on appropriate risk management.

**High risk sectors:** We identify economic activities and business practices that could indicate human rights issues and which may require engagement. The workforce in labour-intensive low profit margin businesses, especially where agency, seasonal, temporary jobs are common, may be particularly vulnerable.

**High risk stakeholders:** Direct/indirect involvement with local authorities or other influential public organisations. While these factors are directed towards bribery and corruption risk, Impax recognises that modern slavery practices do not occur in a vacuum and that good governance and the rule of law are important protective factors.

Where material to a company, responsible sourcing including labour practices is analysed as part of our proprietary ESG analysis, i.e. the extent to which applicable management systems, processes, policies and governance structures (oversight) are in place which seek to actively mitigate risks with regard to responsible sourcing, supply chain management, and upstream exposure to human rights violations. Where the ESG analysis gives rise to further questions or concerns, these aspects are further assessed through active bottom-up engagement on the matters with the respective companies.

#### Private markets

As noted above, Impax invests in renewable power generation and related assets. ESG risk management forms an integral part of our due diligence process prior to the acquisition of each asset. As part of its wider ESG analysis and the transaction structuring and negotiations process, Impax engages with the seller (often the minority interest joint venture partner) to highlight any issues and communicate the ESG strategy and how it can be implemented as part of the closing or post-closing actions. Every year and on an ad hoc or exceptional basis Impax assesses the status through a review of data collected. We complete compliance checks pre and post investment and seek to include clauses in contracts prohibiting violations of modern slavery (as set out below), as well as anti-bribery, corruption and tax evasion before engaging with counterparties.

We have an explicit exclusion list for investments we intend not to consider, for example:

- Companies and counterparties involved in controversies that violate global norms related to human rights, labour, environment and bribery and corruption; and
- Activities involving forced or child labour.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
  - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) Workers**
  - Sector(s) for which each stakeholder group was included
    - (1) Energy
    - (2) Materials
    - (3) Industrials
    - (4) Consumer discretionary
    - (5) Consumer staples
    - (6) Healthcare
    - (7) Finance
    - (8) Information technology
    - (9) Communication services
    - (10) Utilities
    - (11) Real estate
- (B) Communities**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate
- (C) Customers and end-users
  - Sector(s) for which each stakeholder group was included
  - (1) Energy
  - (2) Materials
  - (3) Industrials
  - (4) Consumer discretionary
  - (5) Consumer staples
  - (6) Healthcare
  - (7) Finance
  - (8) Information technology
  - (9) Communication services
  - (10) Utilities
  - (11) Real estate
- (D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures
  - Provide further detail on how your organisation used these information sources:
    - Investee companies' public disclosures (e.g. annual reporting, Sustainability disclosures, Modern Slavery Statements, Human Rights Policies)
- (B) Media reports
- (C) Reports and other information from NGOs and human rights institutions
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) Data provider scores or benchmarks
  - Provide further detail on how your organisation used these information sources:
    - Corporate Human Rights Benchmark (CHRB)
- (F) Human rights violation alerts
  - Provide further detail on how your organisation used these information sources:



Controversies research; Global Standards Screening (including UN Global Compact Principles, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, International Labour Organization's Conventions)

- (G) Sell-side research
- (H) **Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

Investor Alliance for Human Rights (IAHR)

- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

## LISTED EQUITY (LE)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	o	o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

**(2) Active - quantitative**

**(3) Active - fundamental**

(A) Yes, we have a formal process that includes scenario analyses

(3) for a minority of our AUM

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

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**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

Regarding scenario analysis, Impax has developed a proprietary model to assess investee companies' localized and asset-level physical climate risks (PCR). In Impax's PCR scenario analysis, the firm measures several key climate variables and different resource stresses, projected forward in two different Representative Concentration Pathways or emissions pathways scenarios as defined by the Intergovernmental Panel on Climate Change (representing 2 degrees C and 'business-as-usual').

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(3) in a minority of cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process		(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors		(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

Impax has developed a proprietary rating framework that employ a quantitative approach to gender leadership assessment. The framework is incorporated into portfolios that use quantitative optimization tools to manage risks relative to market benchmarks and target desired tilts in characteristics. These tilts involve integration of gender leadership and ESG ratings systematically alongside financial factors in portfolio construction through optimization.

Impax Gender Leadership Score: The Gender Leadership Score is a proprietary framework of gender leadership factors used to determine the constituents and weights of a global investment strategy designed to capture investment returns associated with gender diversity and women's leadership.

The Impax Ellevest Global Women's Leadership Fund (GWLFF) employs a systematic approach intended to closely correspond to or exceed the performance of the Impax Global Women's Leadership Index (Women's Index). The Women's Index, a market capitalization weighted index, is the first index consisting of the highest-rated companies in the world for advancing women's leadership, as determined by Impax Gender Analytics. Impax Gender Analytics assess companies on multiple criteria of gender leadership including:

- Representation by women on the board of directors
- Representation of women in executive management
- Hiring, promotion, & retention of women
- Gender pay equity
- Proactive gender goals and targets and/or signatory to the Women's Empowerment Principles
- Transparency about gender diversity data.

The Fund invests in the approximately 400 companies comprising the Women's Index, overweighting those with the most favourable gender leadership characteristics — the leaders among the leaders — seeking to capture the increased investment returns we believe gender-diverse leadership will deliver over time.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(1) for all of our AUM
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	○	○

**(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process - Specify:**

Development of our proprietary thematic environmental and social taxonomies that influence investment strategies and the eligibility of individual companies for investment.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

### Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

For our actively managed listed equities we conduct a detailed, proprietary ESG analysis of companies and issuers considered for the investable universe and review the ESG analysis on a periodic basis. Impax considers five main pillars within its ESG analysis:

- Governance: We analyse companies' governance structures, taking into account common and best practice in the areas of board structure, compensation, shareholder rights, internal controls and governance of sustainability.
- Material Environmental, Social, and Other Risks: We analyse companies' and issuers' environmental and social policies, processes and disclosures, identifying the most material risks, including resource use and dependencies, biodiversity risks, waste and pollution externalities, health and safety, supply chain complexities, and product liabilities including cyber risks and data privacy. We seek investments in companies or issuers that have addressed the material risks with robust policies, processes, management systems and incentives that are scaled appropriately to the importance of the risk.
- Climate Change: Climate change is a systemic issue for all companies and this pillar assesses the preparedness, management, target-setting, performance and disclosures by companies in terms of both climate transition risks and physical climate risks.
- Human Capital Management and E, D&I: Human capital and E, D&I are systemic and critical issues for all companies. This pillar assesses the management, target-setting, performance and disclosures by companies for aspects of diversity in leadership (gender, racial/ethnic diversity in board and management teams), workplace equity (hiring/retention efforts, goals, targets, disclosures), and human capital (talent pipeline, compensation/benefits and employee engagement).
- Controversies: This includes analysis of companies' past and on-going controversies, seeking strong processes and management systems to address and avoid any repeat events. Analysis includes types of controversies or incidents (repeats, reputational, financial, operational), severity (widespread, systematic, isolated incident), and timeframe and status of issues (ongoing, closed, company has responded or addressed).

An ESG report is written and a proprietary ESG score is assigned for each of the five pillars as well as an overall score, through a peer-review process. Companies with weaker ESG-profiles as per our scoring methodology, will have their position sizes capped in portfolios for risk management reasons and companies failing to achieve a minimum level of scoring, will be excluded from the investable universe.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

## FIXED INCOME (FI)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
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(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○
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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○
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## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

**(1) SSA**

**(2) Corporate**

**(3) Securitised**

(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
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(B) Yes, we have a formal process, but does it not include scenario analyses			
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(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
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(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets

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**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

The transition to a more sustainable global economy creates risks and opportunities; Impax’s proprietary Sustainability Lens (“Impax Lens”) analyses these risks and opportunities and highlights areas of the market with transition tailwinds and headwinds. The Impax Lens is used to direct Impax’s analysts towards potentially attractive areas for investment and adds value by broadening investment solution options. Companies/issuers that understand their key material risks and have appropriate policies and procedures in place, Impax believes, are more likely to be strategic in their thinking, incur less regulatory challenges and fines and, overall, be more resilient in the face of change. High priority sectors include, for example, healthcare equipment suppliers who are well-positioned to serve a growing, ageing population who demand personalised healthcare services. Low priority sectors include extractive industries such as coal and oil which are likely to suffer materially from the transition to a lower carbon intensity energy system in the medium term, as well as operational health and safety risks today. Impax believes that this transition to a more sustainable global economy provides an effective framework to identify well-positioned issuers that can potentially outperform their higher risk peers. The combination of the Impax Lens, Impax’s proven investment process and integrated ESG analysis directs Impax towards issuers with long-term opportunities in sectors that are less exposed to disruption and risk.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) We do not incorporate material ESG factors for the majority of our fixed income investments

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

**(1) SSA**

**(2) Corporate**

**(3) Securitised**

(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)

(B) Yes, we have a framework that differentiates ESG risks by sector

(1) for all of our AUM

(1) for all of our AUM

(1) for all of our AUM

(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector

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(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments		
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM
(C) We do not incorporate significant changes in material ESG factors	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

- (A) At both key counterparties' and at the underlying collateral pool's levels

Explain: (Voluntary)

Recognizing the uniqueness of each fixed income asset class, Impax has, when appropriate, adapted its proprietary tools for Securitised, SSA, Corporate, and Private debt issuers. For securitized issuers/bonds, we are focused on the underlying collateral, but consider additional factors, like underwriting and product-specific impacts.

- (B) At key counterparties' level only
- (C) At the underlying collateral pool's level only

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process			
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways			

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process			



(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

Climate risk is one of many environmental factors that is considered as part of our fixed income ESG analysis. As an example, Impax believes that avoiding the Energy sector in the High Yield asset class will result in higher returns and lower volatility over time. In the last 15 years, the Energy sector has experienced the highest default rates and produced the lowest returns in the asset class. Heavily indebted and low rated energy companies are vulnerable to the growing challenges facing the industry. These include low returns on capital, heavy capital requirements and depleting asset bases, as well as growing regulatory burdens which will increase pressure on this sector. We believe we can re-allocate this capital to better positioned sectors that have stronger fundamentals and offer competitive return prospects for the portfolio.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance	(2) >0–25%
(B) Second-party opinion	(4) >50–75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(2) >0–25%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action

- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

## PRIVATE EQUITY (PE)

### POLICY

#### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment screening
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- (A) We assessed ESG materiality at the portfolio company level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments
- (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
- (C) We assessed ESG materiality at the industry level only
- (D) We did not conduct ESG materiality analyses for our potential private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- (I) Other

Specify:

We used cross-cutting renewable energy sector themes that are applicable to the range of technologies in which the Manager invests (wind, solar, small-scale hydropower and adjacent sectors) as well as Principal Adverse Indicators under SFDR.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your private equity investments?

- (A) Material ESG factors were used to identify risks
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments
- (D) Material ESG factors were used to identify opportunities for value creation
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments

- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for the majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
  - (G) Material ESG factors did not influence the selection of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?**

- (A) We do a high-level or desktop review using an ESG checklist for initial red flags**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (B) We send detailed ESG questionnaires to target companies
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (D) We conduct site visits**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (E) We conduct in-depth interviews with management and/or personnel**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (F) We conduct detailed external stakeholder analyses and/or engagement
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal**
  - Select from dropdown list
    - (1) for all of our potential private equity investments**
      - (2) for a majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
- (I) Other
  - (J) We do not conduct due diligence on material ESG factors for potential private equity investments

# POST-INVESTMENT

## MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

(5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

(5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

(5) >95%

- (D) We did not track KPIs on material ESG factors across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.

(A) ESG KPI #1

Number of MW of (renewable energy) projects in development, construction and operations

(B) ESG KPI #2

MW of renewable energy generated



(C) ESG KPI #3

CO2 avoided from renewable energy generated

(D) ESG KPI #4

Scope 1, 2 and 3 GHG emissions

(E) ESG KPI #5

Number of (renewable energy) projects/ activities affecting biodiversity sensitive areas (e.g. Natura 2000 sites)

(F) ESG KPI #6

Number of projects (and MW) in areas of high water stress or flood risk

(G) ESG KPI #7

Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises

(H) ESG KPI #8

Cases of insufficient action taken to address breaches of standards of anti-bribery and corruption

(I) ESG KPI #9

Number of convictions and amount of fines for violation of anti-bribery and corruption laws

(J) ESG KPI #10

Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?**

- (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance
- (B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses
- (C) We implement certified environmental and social management systems across our portfolio
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established**
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (E) We hire external verification services to audit performance, systems, and procedures**
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments

**(F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(G) We implement 100-day plans, ESG roadmaps and similar processes**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(H) Other**

Specify:

We provide training to our portfolio companies to support them in meeting our targets and also in the reporting process. Business plans are aligned with the achievement of these targets.

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments
- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7.1	PLUS	PE 7	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two processes you have put in place during the reporting year to help meet your targets on material ESG factors.**

(A) Process one

1. Governance
  - Supply chain/ vendor management
  - Board composition
  - Anti-bribery and corruption
  - Management structures and alignment of interests.
2. Material Environmental, Social and Other Risks
  - Renewable energy or adjacent sectors
  - Limited impact on residents, nature and visual environment
  - Responsible consumption and production
  - Accident and safety management
  - Community engagement
  - Regulatory requirements and tax compliance

3. Climate Change
  - Climate and weather risk
4. Human Capital Management and Equity, Diversity & Inclusion
  - Human and labour rights
  - Equity, diversity and inclusion

The PE Team analyse the risks and opportunities associated with 13 material ESG factors under the four pillars prior to making an investment. These factors are informed by cross-cutting sectoral themes that are applicable to the range of technologies in which the Manager invests. Furthermore, the analysis was enhanced to demonstrate how the Manager considers Principal Adverse Indicators (“PAIs”) in the investment process and to consider the contribution each investment makes to Fund’s sustainable investment objective under the Sustainable Finance Disclosure Regulation (“SFDR”) . Three key targets have been set to monitor the attainment of the sustainable investment objective.

Furthermore, the analysis was enhanced to demonstrate how the Manager considers Principal Adverse Indicators (“PAIs”) in the investment process and to consider the contribution each investment makes to Fund’s sustainable investment objective under the Sustainable Finance Disclosure Regulation (“SFDR”) . Three key targets have been set to monitor the attainment of the sustainable investment objective:

- Total renewable energy capacity developed – portfolio progression: total megawatts of projects at each stage of development, construction and in operation;
- Total renewable energy generated – total megawatt hours of renewable energy power produced and renewable energy generated per €10m invested;
- Total tonnes of CO<sub>2</sub> avoided as a result of the New Energy Strategy per €10m invested

The asset management team also use this ESG analysis for the annual review of ESG action plans and target KPIs. It enables the team to highlight key risks to the investment committee and ensure that investments meet the definition of sustainable investment under the sustainable finance regulations, which includes environmental and social targets and good governance. These changes were implemented by the PE/Infrastructure Team’s Head of Asset Management and Sustainability in order to comply with new regulatory requirements and better document the ESG factors considered during due diligence. Results from the data collected were analysed and reported back to the portfolio companies, highlighting areas which can be improved.

(B) Process two

Completed onboarding of new ESG and impact data collection system which has enabled the Manager to gather more in-depth qualitative and quantitative data from portfolio companies. The new system includes a more comprehensive greenhouse gas (“GHG”) emissions calculator and an ESG healthcheck, and helps the Manager to assess our alignment to internationally recognised standards and frameworks, including SFDR, Data Convergence Project, TCFD, UN Global Compact, UN PRI and the UN SDGs. This change was implemented by asset management team, supported by the PE Team’s Head of Asset Management and Sustainability to streamline the data collection process, collect more ESG data, and assist the Manager to prepare to report under the requirements of SFDR and EU Taxonomy regulation and enhance how we monitor portfolio company’s progress on ESG matters,

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe material ESG risks and ESG opportunities that you integrate into your 100-day plans, including those accountable for their successful completion and how the process is monitored.**

Risks and opportunities are company specific. However, they are identified during the due diligence phase using our ESG risk and opportunities analysis tool (mentioned in 7.1). Using the four ESG pillars, each potential investment is assessed against 13 ESG factors (mentioned in 7.1). The transaction team are responsible for rating the risks associated with each factor low, medium or high and noting down the opportunities. An asset manager is responsible for developing the 100-day (and up to 1 year) plan with the transaction team members immediately following closing. This plan is informed by the ESG risks and opportunities analysis conducted during due diligence. Responsibility for the execution of this plan is handed over to the commercial asset management team who oversee it during the ownership phase.

Regular country meetings and communication with the local teams ensure that plans are being successfully implemented. The impact and ESG data collection system is onboarded post-closing to ensure standardised data is collected in order to monitor and track ESG performance over time. Once a year, a detailed review is completed, where the Manager analyses what has been achieved in the year, key risk areas and further opportunities to enhance ESG. This is reported back to the investment committee. As mentioned above, the Manager has a dedicated head of Asset Management and Sustainability who works closely with the transaction and asset management teams to provide guidance and training on key ESG topics. She oversees ESG integration for the entire portfolio throughout the investment process from due diligence through to exit.

Our Italian solar and adjacent sector investments provide a good example of how ESG risks and opportunities are integrated into 100-day plans. Whilst conducting due diligence on these investments (AIEM and AIEM Green), the Manager used the ESG analysis tool to identify any associated ESG risks and opportunities. The investments came with 36 employees, and certain labour issues relating to the transfer of employees, classification and contract issues were identified in the ESG analysis. The transaction team and an asset manager worked with the companies' senior management to manage these issues post-closing implementing the Manager's standard framework policies where applicable to ensure high standards. An example of one such a policy is the "Framework HR Policy" which sets minimum standards for the expected code of conduct, family-friendly practices, equal opportunities and anti-harassment, data protection, whistleblowing, grievance, and disciplinary procedures. Progress was monitored by asset managers and the company reported back to the Manager at monthly country meetings and at the quarterly board meetings on its progress to address the issues identified during due diligence.

Some other examples of ESG risks that have been assessed during due diligence include:

1. Risk to nature, residents and the visual environment
2. Climate and weather risk
3. Accident and safety management risk
4. Supply chain and vendor management risk

Examples of how the Manager mitigates risks and capitalise on opportunities include:

1. Monitoring bird populations, pausing construction during breeding months, plant native hedgerows and wildflowers to decrease the visual impact and provide habitats for native species.
2. Conduct physical climate risk assessments and environmental impact or other assessments as part of permitting process and integrate findings into plant designs and construction and operations management plans.
3. Implement comprehensive H&S policies and management systems. Technical experts have frequent calls with project teams to monitor H&S. H&S inspections are completed regularly.
4. Complete due diligence on vendors and implement standard clauses in supplier/vendor agreements to reduce risk of human rights abuse or modern slavery and other risks in the supply chain.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

**(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(D) We engage with the board to manage ESG risks and ESG opportunities post-investment**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) Other

(F) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 10	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how you ensure that material ESG risks are adequately addressed in the private equity investments in which you hold a minority stake.**

There are no minority holdings for any investments in the Private Equity portfolio.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 11	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

As mentioned above, ESG action plans are informed by the ESG analysis conducted during the due diligence phase (question 7.1). At this stage, potential investments are also analysed to ensure that they meet the definition of a “Sustainable Investment” under SFDR and they are assessed against the PAIs.

Post-closing, the ESG action plan is designed and implemented by the Manager in conjunction with the senior management of the company. If the portfolio company does not already have policies in place that are in-line with the Manager’s high standards, portfolio companies are required to incorporate the Manager’s standard policies for HR, anti-bribery and corruption, and supplier due diligence as part of the ESG action plan.

Our Irish solar investment, BNRG Ireland, provides a good example of how ESG action plans are defined, implemented and monitored. Whilst conducting due diligence on the BNRG Ireland investment, ESG risks and opportunities were analysed. Vendor management and supply chain was identified as a “medium risk” through the ESG assessment as the company would be procuring solar panels. The Manager has identified the solar supply chain as an area of forced labour and modern slavery risk. This risk was evaluated by the Investment Committee who decided to proceed with the transaction and treat this risk by incorporating it into the post-closing requirements of the ESG action plan. The action plan required BNRG to adopt the vendor due diligence process (elaborated upon in question 12.1) which covers modern slavery and the supplier code of conduct. The asset management team is currently working with the BNRG team to help them to engage with solar panels suppliers on the topic of forced labour and select appropriate counterparties. BNRG’s progress on this issue is monitored during monthly country meetings and at quarterly board meetings.

Portfolio companies complete an annual ESG healthcheck questionnaire which assists the asset management to monitor progress on a variety of ESG issues. All portfolio companies complete this questionnaire which features over 40 ESG questions and helps the Manager to benchmark portfolio companies and track progress over time. In the 2022, we found that a number of our portfolio companies were not using renewable energy to power their offices. The Manager highlighted to portfolio companies that they could reduce their GHG emissions by switching to a renewable energy tariff and the Manager plans to incorporate this recommendation into ESG action plans going forward.

The Head of Asset Management and Sustainability is an ESG Observer on the Investment Committee, responsible for ensuring that investment decisions comply with the ESG Policy and other relevant rules and regulations relating to ESG topics. She oversees the asset management team’s implementation of every investment’s ESG action plan. Furthermore, there is an ESG Sub-Committee, which meets every six months to discuss relevant ESG topics affecting the Manager’s portfolio which helps monitor and inform the implementation of action plans.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2

**How do you ensure that adequate ESG-related competence exists at the portfolio company level?**

- (A) We assign the board responsibility for ESG matters**  
 Select from dropdown list
  - (1) for all of our private equity investments**
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- (B) We ensure that material ESG matters are discussed by the board at least yearly**  
 Select from dropdown list
  - (1) for all of our private equity investments**
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- (C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only**

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) We support the portfolio company in developing and implementing its ESG strategy

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(H) We include penalties or incentives to improve ESG performance in management remuneration schemes

(I) Other

(J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2

Describe up to two initiatives taken as part of your ESG competence-building efforts at the portfolio company level during the reporting year.

(A) Initiative 1

Vendor due diligence process -The Head of Asset Management and Sustainability led an initiative to implement a vendor due diligence process within all of the Manager's portfolio companies. The vendor due diligence process takes a risk-based approach when analysing the counterparties for each engagement, considering risks such as money laundering, bribery and corruption, cyber security and human rights risks/modern slavery. This thorough process has been implemented within each of our portfolio companies, and training and ongoing support is provided by the Manager to help portfolio companies complete the process. Impax's compliance department support by completing checks for financial crime red flags as the portfolio companies do not have access to the required systems, but all other checks are completed by the portfolio companies and documents are reviewed periodically.

Exposure to forced labour and modern slavery risks were identified as a particularly important part of vendor due diligence for the Manager's solar investments. As such, the Manager developed a specific framework to help portfolio companies engage with suppliers on the topic of forced labour and modern slavery. The framework is based on the US Government's Uyghur Forced Labor Prevention Act and the Solar Energy Industries Association's Solar Supply Chain Traceability Protocol and helps portfolio companies engage with suppliers on topics including provenance and the transparency of their supply chain. The Manager and one of its portfolio companies have already met with the legal counsel of one of the world's largest solar panel suppliers and look forward to continuing our dialogue with them on the topic. Using this framework, the Manager is working with our portfolio companies to help them to engage with suppliers during the panel procurement process.

As part of our objective of continuous improvement, and following feedback from our portfolio companies, we will be further developing the vendor due diligence process in the next reporting period to provide greater focus on the key risks, and will be working with our portfolio companies to implement.

## (B) Initiative 2

GHG reporting - During the period, another example of our ESG competence-building efforts was our engagement with portfolio companies on the provision of GHG data. The Investment Manager supported portfolio companies to report on GHG emissions through the introduction of a carbon calculator which enables standardisation of carbon data and ease of reporting. The Manager advised portfolio companies to focus on material emissions and provided training and support to record the data. The Manager aims to work with portfolio companies to reduce the percentage of data which is estimated and increase the amount of "actual" data reported. Furthermore, the Manager supported portfolio companies to report scope 3 emissions data (where available) , as well as scope 1 and 2 emissions data. This engagement and support enabled portfolio companies to report actual GHG data for the first time during the period.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

### During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)



- Select from dropdown list
  - (1) for all of our private equity investments
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
  - (G) Other
  - (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year
  - (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We used a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the portfolio company level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

**(2) The UNFCCC Paris Agreement**

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

**(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

**(1) Environmental**

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Climate - Net Zero & Climate Resilient Transition

(4) Number of targets set for this outcome

(1) No target

**(2) One target**

(3) Two or more targets

**(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Nature / Biodiversity / Deforestation

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(C) Sustainability outcome #3

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Climate - Net Zero & Climate Resilient Transition
(1) Target name	Net Zero Asset Managers Initiative (NZAM)
(2) Baseline year	2021
(3) Target to be met by	2030
(4) Methodology	Net Zero Investment Framework

(5) Metric used (if relevant)	
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	c. 8% of committed AUM was transition “non-aligned” at baseline year 2021.
(8) Target level or amount (if relevant)	Aim for 100% of committed AUM being climate resilient and within the categories “transition aligned” or “transition aligning” related to climate management and processes by 2030.
(9) Percentage of total AUM covered in your baseline year for target setting	92%
(10) Do you also have a longer-term target for this?	(2) No
<b>(B1) Sustainability Outcome #2: Target details</b>	
(B1) Sustainability Outcome #2:	Nature / Biodiversity / Deforestation
(1) Target name	Finance Sector Deforestation Action Commitment
(2) Baseline year	2021
(3) Target to be met by	2025
(4) Methodology	Impax is a signatory of the Finance Sector Deforestation Action (FSDA), launched at COP26 in 2021. Impax is committed to eliminating agricultural commodity-driven deforestation risks (from cattle, soy, palm oil, pulp, and paper) in its investment portfolios by 2025.
(5) Metric used (if relevant)	% of portfolio value
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	0%

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (2) No

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your nearest-term net-zero targets per asset class.**

(A) PRI asset class breakdown

**Listed equity**

**Target details**

**(A) PRI asset class breakdown: Listed equity**

(1) Baseline year 2021

(2) Target to be met by 2030

(3) Emissions included in target (1) Scope 1  
(2) Scope 2  
(3) Scope 3

For the net zero alignment, we are assessing companies' preparedness and processes for managing climate transition risks and resilience, e.g.:

- Transparent climate processes and reporting, providing an assessment of company climate risk exposures (ideally including climate risk quantification, scenario analysis) and how these are governed, managed and mitigated (TCFD reporting)

(4) Methodology - Management systems and capex investment to improve operational, value chain efficiencies, resilience and achieve emissions reductions  
- Meaningful GHG reduction targets (short and longer-term), with external verification (incl SBTi).

The methodology followed is the Net Zero Investment Framework (NZIF), portfolio coverage target.

(5) Metric used (9) Other

(6) Baseline amount 92

(7) Current amount (if different from baseline amount) 92

(8) Targeted reduction with respect to baseline

(9) Percentage of total AUM covered in your baseline year for target setting 92%

(10) If coverage is below 100% for this asset class, explain why  
The remaining c. 8% of AUM consists of listed equities in systematic strategies, advisory accounts, fixed income issuers and cash for which transition alignment analysis are either not yet undertaken or completed or methodologies for transition alignment are not available. Over time we plan to increase the proportion of assets under management committed.

- Fixed income
- Private equity
- Real estate
- Infrastructure
- Hedge funds
- Forestry
- Farmland
- Other

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: Climate - Net Zero & Climate Resilient Transition

Target name: Net Zero Asset Managers Initiative (NZAM)

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### (B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Nature / Biodiversity / Deforestation

Target name: Finance Sector Deforestation Action Commitment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Climate - Net Zero & Climate Resilient Transition

(1) Target name: Net Zero Asset Managers Initiative (NZAM)

(2) Target to be met by: 2030

(3) Metric used (if relevant)

(4) Current level or amount (if relevant): 92

(5) Other qualitative or quantitative progress: In addition to tracking the percentage of AUM of Net Zero and Climate resilience 'non-alignment' we monitor the companies that are 'non-aligned' for stewardship purposes. Impax set its first target in Q4 2022. We find that after ~1 year since we set the target the percentage of AUM categorized as 'non-aligned' has slightly decreased, while the number of companies in this category have somewhat increased versus the last assessment.



(6) Methodology for tracking progress

We follow the Net Zero Investment Framework. As part of our ongoing proprietary fundamental ESG analysis the climate transition alignment of our investee companies is continuously assessed. Moreover, we monitor the level of our investment in climate solutions and assess the related avoided GHG emissions.

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**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2: Nature / Biodiversity / Deforestation

(1) Target name Finance Sector Deforestation Action Commitment

(2) Target to be met by 2025

(3) Metric used (if relevant) % of portfolio value

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

We use Forest 500 and ZSL SPOTT, a sector-based impact analysis, to screen our investable universe for companies potentially exposed to deforestation. We monitor the share of investments in investee companies with sites/operations located in/near to biodiversity-sensitive areas negatively affected by these companies (SFDR PAI 7). As members of TNFD Forum and our commitment to FSDA, we are in the final stages of assessing data providers to assess portfolio biodiversity impact and dependencies.

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (E) Capital allocation
  - (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

**Thematic bond(s) label**

(A) Sustainability Outcome #1:  
Climate - Net Zero & Climate Resilient Transition

- (A) Green/climate bonds
- (B) Social bonds
- (C) Sustainability bonds
- (D) Sustainability-linked bonds
- (F) Other

Specify:  
Impax focuses its FI issuer engagements on the specific projects that qualify for the use of proceeds for green bond and social bond offerings, as well as the environmental and social performance indicators for green, social and sustainability-linked bond offerings.

(B) Sustainability Outcome #2:  
Nature / Biodiversity / Deforestation

**STEWARDSHIP WITH INVESTEEES**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

## (A) Across all sustainability outcomes

### (1) Describe your approach

Company engagement: We meet with management teams when we see opportunities for companies to become more resilient and strengthen material environmental, social, and governance (ESG) processes, structures and disclosures.

Proxy voting: We view proxy voting as an important catalyst for dialogue on corporate governance best practice, both before and after companies' annual general meetings. We vote on issues ranging from board structures, board of director elections and executive compensation to environmental and social issues.

Shareholder resolutions: We initiate or support shareholder proposals at annual shareholder meetings to encourage greater corporate transparency around companies' most significant environmental or social risks.

Thematic engagement: We identify the most important themes and topics to engage on every year and prioritise companies for the engagements. Collaborative engagement: We collaborate with other investors and partners to catalyze progress on critical ESG issues across specific companies and sectors.

Systematic engagement: We seek to identify structural hurdles within sectors and industries and can engage both companies and policy makers to advocate for frameworks, policies or regulations that advance the transition to a more sustainable economy.

### (2) Stewardship tools or activities used

- (1) Engagement
- (2) (Proxy) voting at shareholder meetings
- (3) Filing of shareholder resolutions or proposals
- (5) Leveraging roles on the board or board committees (e.g. nomination committees)

### (3) Example

JM Smucker (filing resolution)

We filed a shareholder proposal with JM Smucker, maker of Folgers, Dunkin' and Cafe Bustelo brand coffees, requesting that the company describe its work to mitigate potential short, medium and long-term supply chain disruption. The proposal followed our outreach on physical climate risk in 2021, and highlighted the company's exposure to risks associated with hurricanes and weather at coffee production facilities.

Outcome: The company was responsive and agreed to disclose information regarding business continuity plans for its coffee business in its upcoming CDP submission. JM Smucker will also disclose information on continuity for its consumer and other businesses over the next two years, and we will continue the dialogue moving forward.

#### Ansys (proxy voting example)

Impax has been engaging with Ansys - a company that develops, markets and supports software solutions for design analysis and optimisation - on issues relating to its governance structures, including a classified board structure. In May 2022, Impax supported a shareholder proposal seeking the annual election of directors.

Outcome: The proposal was approved by 87% of shareholders. In response, the board sought shareholder approval in May 2023 to amend the company's certificate of incorporation to declassify the board of directors over a three-year period. In line with Impax's voting guidelines, we voted for this resolution which was approved by 99.9% of shareholders. As a result, all directors will stand for annual election from the 2026 annual meeting.

#### Disney (company engagement example)

Impax has been engaging with Disney since 2020, focusing on human capital and E,D&I topics.

In 2022, Impax met with Disney to learn about recent human capital and E,D&I initiatives with a particular focus on employee health and wellness. The engagements were held after the company's annual meeting, at which a shareholder proposal on pay gap reporting won majority support (a topic we had raised with Disney in earlier dialogues). Our meetings provided insights into the company's approach to returning to the office post-COVID, employee engagement and wellness, and the complexities of managing a large, diverse workforce.

Impax provided feedback on new disclosures over the last year and considerations for future disclosures.

Outcomes: In September 2022, Disney published its adjusted pay data by race and gender for first time.

Its analysis showed that women are paid nearly identically to men, and Asian, Black and Hispanic workers are all paid nearly the same as White workers. The company also committed to additional disclosure over time, including with respect to unadjusted pay data.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: Climate - Net Zero & Climate Resilient Transition

(1) Describe your approach

Impax's approach to achieving NZAM target with real-economy outcomes:

- o Engagement with all in-scope companies not yet climate resilient/ transition aligned
- o Use of proxy voting as part of climate resilience and transition stewardship
- o Use of collaborative engagements and escalations
- o Use of "system-level" engagement to identify and remove barriers from achieving net zero transition
- o Focus on policy advocacy as support for accelerating a real-economy transition
- o Consideration of climate transition in product development

(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings  
(3) Filing of shareholder resolutions or proposals

(3) Example

In 2023 we have contacted the companies that are currently assessed as being transition "non-aligned" and informed them that without improvements to climate transition processes and target-setting, we will be voting against the Chairs of the Audits Committees of the companies in the 2024 proxy voting season. We envisage to directly engage with most of the non-aligned companies in 2024.

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: Nature / Biodiversity / Deforestation

(1) Describe your approach

Nature, including Biodiversity and Deforestation concerns, is one of our four thematic focus areas for active stewardship. We take a multi-pronged approach to our nature-related engagement activity, prioritizing companies that are earlier in the process of understanding their nature-related risks and encouraging these companies to undertake robust assessments of their nature-related dependencies and impacts. We are also encouraging companies to publicly disclose geolocation data to enable relevant risk assessments in line with our approach to improving location-specific physical climate risk assessment.

(2) Stewardship tools or activities used

(1) Engagement

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Select from the list:

- 2  
 4

**(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Select from the list:

- 1  
 4

**(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Select from the list:

- 3  
 4

(D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	We engage with policymakers via multiple approaches, including a) engaging with policymakers directly, and engaging with policymakers through the leadership of or active participation in working groups or collaborative initiatives.
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(2) We responded to policy consultations</li> <li>(3) We provided technical input via government- or regulator-backed working groups</li> <li>(4) We engaged policy makers on our own initiative</li> </ul>
(3) Example(s) of policies engaged on	UK Climate Financial Risk Forum (CFRF) convened by the FCA and Bank of England: Impax was a lead author on the CFRF Climate Data and Metrics report and led the development of the Climate Disclosure Dashboard with the CFRF Disclosures Working Group. The Working Group's recommendations have already been referenced in the FCA consultation on TCFD implementation and we are hopeful that it will act as the foundation for the ongoing work of the net-zero transition plans within the CFRF and other initiatives.



Impax submitted an extensive comment letter to the US Securities and Exchange Commission (SEC) outlining recommendations for corporate reporting, including mandatory reporting of Scope 1 and 2 emissions and progress towards mandatory reporting of harder-to-measure Scope 3 emissions; mandatory Task Force for Climate-Related Financial Disclosure (TCFD) reporting; and the disclosure of the physical location of key company assets. We also talked with SEC Chair Gensler regarding all of these reporting requirements prior to the finalisation of the proposed rule. We are very pleased that our recommendations – including the latter point, on which we filed a petition for rulemaking with the SEC in 2020 – are reflected in the SEC’s proposed rule on climate risk disclosures that was published in March 2022.

Advanced Clean Cars II Program: Impax signed on to a letter, sponsored by Ceres, to the California Air Resources Board (CARB) urging them to adopt a more ambitious vehicle emissions reduction regulation, the Advanced Clean Cars II program, in the state. An Impax representative met with the chair and two commissioners of CARB to reiterate our support.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: Climate - Net Zero & Climate Resilient Transition

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(1) Describe your approach Responded to public call for evidence

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(2) Engagement tools or activities used (2) We responded to policy consultations

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(3) Example(s) of policies engaged on We responded to the UK government’s Green Finance Strategy Call for Evidence. We encouraged the UK Government to develop clean investment roadmaps, outlining for each sector the investment opportunities and establishing dialogues with industry and finance on the detailed design of policies capable of attracting private sector investment at scale. We also identified specific recommendations to scale up investment in energy infrastructure and shared our views on the key characteristics of a net zero-aligned financial sector and how the UK government could best support the global transition to a net zero, nature positive financial system.

We responded to the UK Transition Plan Taskforce sector neutral framework call for evidence. We were supportive of the overall approach, highlighting the importance of integrating existing reporting obligations such as TCFD within a single transition plan.

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## (C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:	Nature / Biodiversity / Deforestation
(1) Describe your approach	Through our policy and advocacy activities we collaborate closely with a broad network, including the scientific community, industry bodies and not-for-profit organisations.
(2) Engagement tools or activities used	(2) We responded to policy consultations (4) We engaged policy makers on our own initiative
(3) Example(s) of policies engaged on	<p>Finance Sector Deforestation Action (FSDA) - Impax became a founding member of FSDA at its launch at COP26. Signatories to the FSDA have committed to best efforts to eliminate forest-risk agricultural commodity driven deforestation activities at companies in our investment portfolios. They do this through individual and collective action to assess exposure to deforestation risk, establish investment policies addressing those risks, deepen engagement with the highest-risk holdings and engage on public policy necessary to avoid the risks and impacts of deforestation.</p> <p>As part of the implementation of our commitments under FSDA during 2022, Impax developed and published our Impax Policy on Nature, Biodiversity, and Deforestation, worked with other signatories to engage priority companies and joined the Investor Policy Dialogue on Deforestation consumer countries workstream.</p> <p>Natural Capital Investment Alliance (NCIA) - At COP26 in November 2021, Impax joined the NCIA which had been created earlier that year by HRH The Prince of Wales through his Sustainable Markets Initiative. Impax's objective in joining the NCIA was to mobilise investment in nature-based solutions, to accelerate the development of nature-related metrics and to encourage effective investor engagement in international and national policy to counter biodiversity loss. During 2022, Impax acted as co-chair of the NCIA's Policy, Industry and Government Liaison workstream, helping to develop a map of the policy landscape relating to natural capital which informed the NCIA's position for the UN COP15 biodiversity summit. We also participated in the NCIA's Metrics and Disclosures workstream and spoke at the Natural Capital Investment Summit organised by NCIA in October 2022 at Kew Gardens.</p> <p>Business for Nature (BfN) - Impax supported Business for Nature in developing its position on the priorities for COP15.</p>

These included adopting a clear and simple mission to halt and reverse biodiversity loss by 2030, making corporate assessment and disclosure of impacts and dependencies on nature mandatory and strengthening specific targets on the reform of environmentally harmful subsidies. Impax became an early signatory to Business for Nature's Make it Mandatory campaign which was launched ahead of COP15. We were therefore very pleased that the Global Biodiversity Framework agreed at COP15 in December 2022 addressed all the priorities identified by Business for Nature and look forward to working on the Framework's implementation.

Taskforce on Nature-related Financial Disclosures (TNFD) - Throughout 2022, Impax continued to contribute to the work of the TNFD Forum including speaking at the launch of the TNFD Consultation Group of the UK convened by the Green Finance Institute (GFI). We are currently pilot testing the beta version of the TNFD Framework and hosting an asset manager roundtable to exchange views on the Framework and inform consultation responses on its recommendations.

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

## (A) Across all sustainability outcomes

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(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (3) Stock exchanges (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (7) Academia (8) NGOs
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(2) Provide further detail on your engagement

International Sustainability Standards Board (ISSB) (Reporting bodies/standard setters) Impax responded to the ISSB consultation in July 2022. The main areas that Impax highlighted were the ISSB definition of materiality to encompass double materiality, highlighting the short-comings if the focus is mainly on corporate enterprise value at risk in sustainability reporting, as well as an increased focus on location-specific reporting, a critical perspective for risks such as physical climate risks and biodiversity, location-specific issues. We were therefore pleased with the recent statement of the ISSB that it intends to remove the term 'enterprise value' from its standards and use the same definition of materiality as the IFRS Accounting Standards, which is generally accepted to accommodate 'double materiality'.

UK Climate Financial Risk Forum (CFRF): During 2022, Impax continued to engage actively with the CFRF, a financial sector forum convened by the FCA and Bank of England. We chaired the Disclosures workstream of the Disclosures, Data and Metrics working group which was tasked with updating the Climate Disclosure Dashboard originally published in 2021 and the updated Dashboard was published in March 2023.

Imperial College London partnership - case studies on Biodiversity Investing: In recognition of the scale of underfunding in nature conservation and specifically the lack of private sector investment, in summer 2022 Impax decided to provide financial support to a research project by Imperial College to identify the drivers for corporate investment into voluntary biodiversity actions and whether/how such actions could be scaled up. The project was completed in early 2023 and our report published here: [https://impaxam.com/assets/pdfs/thought-leadership/protecting\\_biodiversity\\_incentives\\_for\\_corporate\\_action.pdf?pwd=5392](https://impaxam.com/assets/pdfs/thought-leadership/protecting_biodiversity_incentives_for_corporate_action.pdf?pwd=5392)

Board diversity, Japan (stock exchanges): Impax has been engaging with Japanese companies regarding gender diversity on Japanese company boards for many years. In the reporting period, Impax signed an Asian Corporate Governance Association (ACGA) coordinated gender diversity letter to the Japanese Financial Standards Authority (FSA) and the Tokyo Stock Exchange (TSE) to promote improved female representation on Japanese company boards. The letter was later submitted by the FSA to the Japanese State Council. In April 2023, the Japanese prime minister announced that the boards of all companies listed on the TSE Prime market (around 1,800 of the largest companies in Japan) should have 30% female directors by 2030, a major step forward.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: Climate - Net Zero & Climate Resilient Transition

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(1) Key stakeholders engaged	<ul style="list-style-type: none"> <li>(1) Standard setters</li> <li>(2) Reporting bodies</li> <li>(3) Stock exchanges</li> <li>(6) External service providers (e.g. proxy advisers, investment consultants, data providers)</li> <li>(8) NGOs</li> </ul>
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(2) Provide further detail on your engagement

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2: Nature / Biodiversity / Deforestation

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(1) Key stakeholders engaged	<ul style="list-style-type: none"> <li>(2) Reporting bodies</li> <li>(6) External service providers (e.g. proxy advisers, investment consultants, data providers)</li> <li>(8) NGOs</li> </ul>
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(2) Provide further detail on your engagement

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	FAIRR Sustainable Proteins
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	<p>This is a collaborative investor engagement coordinated by FAIRR and supported by shareholders of 25 global food companies, with the objective to diversify their protein sources, with a focus on plant-based proteins, to “drive growth, increase profitability, reduce risk exposure and improve their ability to compete and innovate in a resource-constrained world.” There is a significant focus on mitigation of climate risk.</p> <p>Impax has been a long-term collaborative partner in this initiative and the lead shareholder in engagements with Koninklijke Ahold Delhaize, a Dutch food retailer, with good progress made over the years.</p>

In 2021, we observed improved, evidence-based consumer engagement and awareness-raising relating to healthier and plant-based foods and set new more ambitious, science-based GHG reduction targets, relating to Scope 1, 2 and 3 emissions, with improved disclosures of Scope 3 emissions linked to animal agriculture specifically. The company also conducted its first scenario analysis in 2021. Most recently in 2022, Impax again led the engagement with Ahold to better understand the company's:

Approach to protein diversification of the product portfolio

Improvements in supply chain sustainability (focus on Scope 3 emissions)

We had an insightful dialogue with the company who highlighted their Albert Heijn brand as leading in terms of protein diversification, having adopted a dual approach to sustainability that addresses the company's supply chain and its product composition. However, there was no commitment during the meeting from Ahold to set protein diversification commitments or targets in the short to medium term at the Group level. The company reiterated its existing strategic priorities around climate impact, healthier choices, and waste elimination. The company shared its timeline for publication of its updated Scope 3 strategy, focusing on reducing emissions from its largest emissions sources, products and services. In collaboration with FAIRR, we expect to review progress and outcomes of the broader sustainable proteins initiative to date and review our approach to achieving progress on the above objectives.

**(B) Initiative #2**

(1) Name of the initiative	UK Climate Financial Risk Forum
(2) Indicate how your organisation contributed to this collaborative initiative	(G) We were part of an advisory committee or similar (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)
(3) Provide further detail on your participation in this collaborative initiative	UK Climate Financial Risk Forum (CFRF): During 2022, Impax continued to engage actively with the CFRF, a financial sector forum convened by the FCA and Bank of England. We chaired the Disclosures workstream of the Disclosures, Data and Metrics working group which was tasked with updating the Climate Disclosure Dashboard originally published in 2021 and the updated Dashboard was published in March 2023.

### (C) Initiative #3

(1) Name of the initiative	GFANZ and Transition Plan Taskforce
(2) Indicate how your organisation contributed to this collaborative initiative	(E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)
(3) Provide further detail on your participation in this collaborative initiative	<p>Transition Plan guidance: Following the announcement by then Chancellor Rishi Sunak in the UK's Green Finance Roadmap at COP26 that disclosure of transition plans was to become mandatory, we decided to prioritise this as a topic for work in 2022. We were selected to participate in the GFANZ workstream on this topic and contributed to the drafting of its Financial Institution Net-zero Transition Plans report published in November 2022 (including contributing a case study on our policy advocacy activity).</p> <p>We were particularly pleased to see this work focus on how financial institutions can focus on accelerating the transition in the real economy, rather than achieving 'paper decarbonisation' in the pursuit of net-zero targets. During 2022, we were invited to participate in the work of the Transition Plan Taskforce (TPT) to develop a Transition Plan Disclosure Framework published in draft in November 2022. Again, we were pleased to see the TPT recommend the adoption of a 'strategic and rounded approach' to transition plans which addresses not only decarbonisation but also how companies are responding to climate-related risks and opportunities and contributing to an economy-wide transition. We are continuing our focus on this theme in 2023 and have been asked by the TPT to co-chair its Asset Manager Working Group which will develop sector specific guidance.</p>

### (D) Initiative #4

(1) Name of the initiative	Asian Corporate Governance Association (ACGA)
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support



(3) Provide further detail on your participation in this collaborative initiative

ACGA: Through its membership of the Asian Corporate Governance Association (ACGA), Impax has been able to enhance its knowledge and understanding of Asian governance issues and more effectively engage with regulators and companies in the region regarding governance. In 2022, Impax continued its engagement with ACGA, with our Head of Sustainability & Stewardship, APAC, chairing the China Working Group, representing over 50 investors with more than US\$30 trillion in assets under management. The primary objective of the working group is to engage with regulators, companies and other stakeholders in China. The collaborative approach with other shareholders under the expert leadership of ACGA lends itself as the next lever to initiate company-level change and will be discussed in forthcoming investee engagement dialogues in 2023.

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

## THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy**  
Select from dropdown list:
  - (1) Data assured
  - (2) Processes assured
  - (3) Processes and data assured**
- (C) Listed equity**  
Select from dropdown list:
  - (1) Data assured
  - (2) Processes assured
  - (3) Processes and data assured**
- (D) Fixed income**  
Select from dropdown list:
  - (1) Data assured
  - (2) Processes assured
  - (3) Processes and data assured**
- (E) Private equity**  
Select from dropdown list:
  - (1) Data assured
  - (2) Processes assured
  - (3) Processes and data assured**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 3	PLUS	CBM 1	N/A	PUBLIC	Third-party external assurance	6

Provide details of the third-party external assurance process regarding the information submitted in your PRI report.

(1) Description of the third-party external assurance process

Thematic environmental universe screening process: Ashland Consultants.

Proxy voting process: Ashland Consultants. Environmental impact measurement (methodology, data and calculations): ERM.

- (2) Assurance standard(s) used by the third-party assurance provider
- (A) PAS 7341:2020
  - (B) ISAE 3000 and national standards based on this**
  - (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
  - (D) RevR6 (Assurance of Sustainability)
  - (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
  - (F) Accountability AA1000 Assurance Standard (AA1000AS)
  - (G) IFC performance standards
  - (H) SSAE 18 and SOC 1
  - (I) Other national auditing/assurance standard with guidance on sustainability; specify:
  - (J) Invest Europe Handbook of Professional Standards
  - (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation**
  - (L) AAF 01/20
  - (M) AAF 01/06 Stewardship Supplement
  - (N) ISO 26000 Social Responsibility
  - (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information
  - (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
  - (Q) PCAF
  - (R) NGER audit framework (National Greenhouse and Energy Reporting)
  - (S) Auditor's proprietary assurance framework for assuring RI-related information
  - (T) Other greenhouse gas emissions assurance standard; specify:
- (3) Third-party external assurance provider's report that contains the assurance conclusion

<https://impaxam.com/assets/pdfs/sustainability/impax-impact-report-2022.pdf?pwd=4231>

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

### What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (C) Listed equity**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (D) Fixed income**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (E) Private equity**

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited
- (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

Internal verification of responses before submission to the PRI - the whole PRI Transparency Report has been internally verified. The PRI Transparency Report and its various components (ESG integration across asset classes, stewardship, policy engagement and sustainability outcomes) are monitored internally by different groups and processes. The main groups involved in this are Impax Compliance team (ESG integration processes and exclusions, proxy voting process), the Product Services team (proxy voting process, ESG data and reporting), the Investment Committee and Management Groups and Committees that provide oversight to ESG processes, stewardship and policy advocacy and the Impact Group providing oversight for the impact measurement and reporting work. Impax's day to day operations are overseen by the Executive Committee and its strategy by the board of directors.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year